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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE)
COMMISSION,)
)
Plaintiff,)
) Case No.
v.) 20-Civ-10832(AT)(SN)
)
RIPPLE LABS, INC., BRADLEY)
GARLINGHOUSE, and CHRISTIAN)
LARSEN,)
)
Defendants.)
_____)

CONFIDENTIAL - SUBJECT TO PROTECTIVE ORDER

VIDEOTAPED DEPOSITION OF
BRADLEY KENT GARLINGHOUSE, JR.

Monday, September 20, 2021

Reported by:
BRIDGET LOMBARDOZZI,
CSR, RMR, CRR, CLR
Job No. 210920BLO

UNITED STATES DISTRICT COURT
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SECURITIES AND EXCHANGE)	
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GARLINGHOUSE, and CHRISTIAN)	
LARSEN,)	
)	
Defendants.)	

Videotaped deposition of BRADLEY KENT GARLINGHOUSE, JR. taken on behalf of Plaintiff, held at the offices of Cleary Gottlieb Steen & Hamilton LLP, 1 Liberty Plaza, New York, New York, commencing at 8:20 a.m. and ending at 8:01 p.m., on Monday, September 20, 2021, before Bridget Lombardozzi, CCR, RMR, CRR, CLR, and a Notary Public of the States of New York and New Jersey, pursuant to notice.

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DAVID SHERECK, Videographer

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BRADLEY KENT GARLINGHOUSE, JR.

BY MR. TENREIRO

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1 - - -
2 8:20 a.m.

3 September 20, 2021
4 - - -

5 THE VIDEOGRAPHER: We're on the
6 record. The time is approximately 8:20
7 a.m. Today's date is Monday, September
8 20th, 2021. This is the video deposition
9 of Bradley Kent Garlinghouse, Jr., in the
10 matter of the Securities and Exchange
11 Commission versus Ripple Labs Inc.,
12 Bradley Garlinghouse, and Christian
13 Larsen. The index number is 20-Civ-10832
14 in the United States District Court,
15 Southern District of New York.

16 My name is David Shereck,
17 certified legal videographer, with
18 Shereck Video in association with
19 Gradillas Court Reporting of Glendale,
20 California. We're located today at the
21 office of Cleary Gottlieb, located at 1
22 Liberty Plaza in New York. And all
23 attorneys present will appear on the
24 stenographic record. And the court
25 reporter is Bridget Lombardozzi. Thank

1 you.

2 And will you please swear in the
3 witness.

4 B R A D L E Y K E N T

5 G A R L I N G H O U S E, Jr., having been
6 duly sworn, was examined and testified as
7 follows:

8 THE REPORTER: Thank you.

9 You may proceed.

10 MR. TENREIRO: Thank you.

11 Stipulations, Matt?

12 MR. SOLOMON: Yes. Just that any
13 objection by any counsel will be deemed an
14 objection by all counsel if that's
15 agreeable to the SEC.

16 MR. TENREIRO: Yes.

17 MR. HORTON: Thank you.

18 MR. TENREIRO: And we're going
19 to --

20 MR. SOLOMON: And confidentiality
21 as well.

22 MR. TENREIRO: Sure. We're going
23 to go nine hours today as we discussed. I
24 think that's also stipulated.
25

1 DIRECT-EXAMINATION

2 BY MR. TENREIRO:

3 Q. Good morning. Could you please state
4 your name for the record.

5 A. Good morning. Brad Garlinghouse.

6 Q. Good morning, Mr. Garlinghouse. I'm
7 Jorge Tenreiro for the SEC. I'll be asking
8 questions on behalf of the plaintiff today.

9 Mr. Garlinghouse, you gave testimony to
10 the SEC in an investigation that led up to this
11 case in September of 2020, is that right?

12 A. I believe the date's correct, yeah.

13 Q. And you were under oath for that
14 testimony, is that right?

15 A. I was.

16 Q. And did you provide truthful answers to
17 the SEC during your testimony on that date?

18 A. I did.

19 Q. Since that -- since that testimony, have
20 you given under -- other under oath testimony
21 other than in the [REDACTED] matter?

22 A. Not that I can recall, no.

23 Q. Okay. And other than [REDACTED] and the
24 SEC investigation, have you given other testimony
25 under oath before?

1 A. I don't recall. You're asking in my
2 whole lifetime?

3 Q. Sure. Yes.

4 A. Not that I can recall.

5 Q. Okay. The important thing to keep in
6 mind today, I think as you've done this before,
7 other than to try to speak slowly and not talk
8 over each other, is that I'm never asking you to
9 tell me the substance of any advice you got from
10 counsel. So let's try to stay away from that.

11 Do you understand?

12 A. I do.

13 Q. Is there any reason why you cannot
14 testify truthfully or accurately today?

15 A. No.

16 Q. Did you take steps to prepare for
17 today's deposition?

18 A. I did.

19 Q. And what steps did you take, without
20 discussing the substance of conversations with
21 counsel?

22 A. I met with counsel to prepare for today.

23 Q. How many times did you meet?

24 A. I don't know exactly. As you may
25 recall, this -- the date of this event moved a few

1 times. And so we met a couple times to prepare
2 each time that it got moved.

3 So, you know, more than five, less than
4 ten.

5 Q. How many hours would you approximate you
6 met?

7 A. Twenty hours.

8 Q. Did you review documents?

9 A. Yes.

10 Q. Did any of the documents you reviewed
11 refresh your recollection as to the matters
12 related to this case?

13 A. Not specifically, no.

14 Q. Who was present at the preparation
15 sessions, generally, other than your counsel?

16 A. Other than my counsel?

17 Q. Yes.

18 A. No one.

19 Q. Was counsel for Ripple present?

20 A. Yes. Sorry. I -- I should have been
21 more precise. When you said my counsel, I
22 included Ripple's counsel within that construct.

23 Q. Okay. What about counsel for
24 Mr. Larsen?

25 A. No.

1 Q. Did you discuss your testimony with
2 Mr. Larsen?

3 A. No.

4 Q. Did you discuss his testimony with him?

5 A. Actually, one clarification. I didn't
6 discuss my testimony with him because I haven't
7 given the testimony yet. I did not discuss his
8 testimony with -- his testimony, we didn't discuss
9 that either.

10 Q. Did you discuss your preparation for
11 your testimony with Mr. Garling -- with
12 Mr. Larsen?

13 A. Other than acknowledging that I was
14 doing preparation because I would be out-of-pocket
15 for some segment of time, no.

16 Q. Okay. And did you discuss any other
17 witness's testimony with that witness?

18 A. No.

19 Q. Okay. Do you own any XRP today?

20 A. Yes.

21 Q. How much? How many units?

22 A. I have -- that's a direct question. I'm
23 trying to parse it a little bit. In terms of my
24 direct ownership that I have custody myself? Are
25 you asking what I have custody of myself or are

1 you asking --

2 Q. I'm asking how much XRP you own.

3 A. Well, so, by virtue of my ownership in
4 Ripple, the company, I have indirect ownership of,
5 you know, say, three and a half billion units of
6 XRP as a -- as a rough estimate.

7 Q. Okay. And by -- and what about other
8 holdings of XRP that are not by virtue of your
9 ownership in Ripple, the company?

10 A. I hold some XRP at Coinbase. I don't
11 know exactly how much. Maybe [REDACTED]

12 [REDACTED] And I hold XRP in a couple of
13 cold wallets which cumulatively probably
14 represents [REDACTED] units of XRP.

15 Q. Any other units of XRP that you might
16 own indirectly through an organization, an LLC, a
17 family trust, anything like that?

18 MR. SOLOMON: Objection to form.

19 A. Not that I can recall.

20 Q. Okay. And other than XRP that you might
21 own indirectly through your ownership in Ripple,
22 have you ever sold any of your XRP?

23 A. Yes.

24 Q. How? How did you sell it?

25 A. I have sold XRP through Bitstamp and I

1 have sold XRP through a -- an entity called GSR.

2 Q. On what platforms did GSR sell the XRP
3 for you?

4 A. I can't recall.

5 Q. Are there records that reflect that
6 information?

7 A. Yes.

8 Q. Where are those records?

9 A. In my e-mail I have those records. I'd
10 imagine GSR has it. I -- I don't think I can
11 provide an exhaustive list of where those records
12 are.

13 Q. When is the last time you sold XRP?
14 Again, I'm talking about yours, not the indirectly
15 owned.

16 A. [REDACTED] is my recollection.

17 Q. Do you have any present plans to sell
18 your XRP?

19 A. No, I don't.

20 Q. Okay. And why did you sell XRP in

21 [REDACTED]?

22 A. I had a trading plan that I -- that -- a
23 company-approved trading plan of XRP. I vested
24 some XRP as part of an XRP grant from the company,
25 and as part of that trading plan, I sold XRP.

1 Q. But why did you sell it? For what
2 purpose?

3 A. No particular purpose.

4 Q. Who did you sell it to, the one -- the
5 XRP you sold in [REDACTED]?

6 A. I don't know.

7 Q. How much did you sell it for?

8 A. I can't recall specifically. I mean,
9 I -- I think in [REDACTED] my recollection is
10 XR -- I would be, not speculating, but guessing
11 where the price of XRP was [REDACTED] which I
12 can't recall exactly.

13 Q. Can you recall the number of units you
14 sold in [REDACTED]?

15 A. I -- I would guess it's between [REDACTED]
16 [REDACTED] units.

17 Q. And why have you not sold since?

18 MR. CERESNEY: Objection to
19 form.

20 THE REPORTER: Who --

21 MR. TENREIRO: That was Andrew.

22 A. I think that would encroach upon
23 attorney-client privilege.

24 Q. Okay. How is it that you don't know who
25 you sold the XRP to in [REDACTED]

1 MR. SOLOMON: Objection; form.

2 A. The nature of how -- I guess the way I
3 think about that is if I ever -- well, when you
4 are selling XRP on an exchange, you don't know who
5 the counterparty is.

6 Q. Okay. And is that true for the Bitstamp
7 platform? Is that true that you don't know who
8 the counterparty is?

9 A. Yes.

10 Q. And is that true for the platforms on
11 which GSR sold your XRP?

12 A. I believe so.

13 Q. Okay. Have you ever asked GSR if they
14 know who they're selling your XRP to?

15 A. Not that I can recall.

16 Q. Okay. So you are currently employed as
17 Ripple's CEO, is that right?

18 A. Yes.

19 Q. Okay. And you've held that position
20 since January 1st, 2017, is that correct?

21 A. Yes.

22 Q. Before that you were Ripple's COO, is
23 that right?

24 A. That is correct.

25 Q. Okay. And I think you became the COO

1 around April of 2015, is that correct?

2 A. Yes, that sounds correct.

3 Q. As CEO, do you have the power to make
4 decisions on behalf of Ripple?

5 A. As CEO, I have the authority to make
6 decisions on behalf of Ripple.

7 Q. Do you have authority to manage Ripple's
8 activities?

9 A. Yes.

10 Q. How about to direct -- sorry.

11 A. I believe so. Yes.

12 Q. How about to direct its policies?

13 MR. CERESNEY: Objection to
14 form.

15 A. Yes.

16 Q. Did Ripple ever file a registration
17 statement for any XRP offer or sale with the SEC?

18 A. Not of which I'm aware.

19 Q. If you decided -- if you,
20 Mr. Garlinghouse, decided that Ripple should file
21 such a registration statement, would you have the
22 power to make that decision?

23 MR. CERESNEY: Objection to
24 form.

25 MR. SOLOMON: Objection.

1 A. Yes.

2 Q. Is there anyone else who would have the
3 authority at Ripple to make the decision to file a
4 registration statement?

5 MR. SOLOMON: Objection.

6 A. I guess -- during what time period?
7 After January 1st, 2017?

8 Q. Sure.

9 A. I mean, I think the -- the board of
10 directors could act in some manner to facilitate
11 that.

12 Q. And have you ever sat on the board?

13 A. I do sit on the board.

14 Q. Since when?

15 A. I believe I officially took the board
16 seat in January of 2017.

17 Q. How many directors are on the board as
18 of December of 2020?

19 A. December 2020. I don't recall exactly.
20 I think seven.

21 Q. Okay. And who are they?

22 A. In -- in December of 2020, the board
23 members would have been myself, Chris Larsen, Anja
24 Manuel, Susan Athey, I think, depending upon
25 what -- I think Ben Lawsky resigned from the board

1 in roughly December 2020. Craig Phillips, Yoski
2 Kitao.

3 Q. That's seven.

4 A. Yeah, I feel like I forgot somebody.

5 Q. It's confidential. They won't see it.
6 It's okay. If you don't remember, it's okay.

7 A. You don't want to forget one of your
8 board members.

9 Q. Yeah.

10 A. I said Craig Phillips. Gene -- he's
11 already off the board at that time. I think
12 that's it.

13 Q. Who selects -- as of December 2020, who
14 selected who would be on the board?

15 A. I mean, I'd say, generally speaking,
16 Chris Larsen would be -- would have been the
17 primary person, but typically what would happen if
18 we were adding a board member is I would take
19 point in interviewing candidates, discussing
20 various -- you know, the possibility of the
21 various candidates, and then would present to
22 Chris and the rest of the board, you know,
23 effectively a finalist or two for the board's
24 consideration.

25 Q. Why was Mr. Larsen the primary person?

1 MR. SOLOMON: Objection.

2 A. Chris was the executive chairman of
3 Ripple. And as executive chairman, you know, I
4 think, generally speaking, you -- the Chair of the
5 board as -- if the Chair of the board is not
6 supportive of a candidate, that probably isn't a
7 good path to push.

8 Q. And why did Lawsky resign?

9 A. Mr. Lawsky had been on the board for a
10 few years. He was approaching his four-year
11 tenure. He had worked at a digital asset
12 investment group -- or he does work at a digital
13 asset investment group, as an advisor, called
14 [REDACTED] which I think stands for [REDACTED]
15 [REDACTED]

16 And by virtue of his position -- you
17 know, his board position sometimes created
18 knowledge he had about Ripple that couldn't be
19 shared and needed to be kind of firewalled within
20 the [REDACTED]. And I think over time
21 he felt like, as [REDACTED] was growing and his time
22 spent on [REDACTED] was growing, I think he felt that
23 his -- that the conflict was becoming more
24 problematic. Or the potential conflict was
25 becoming more problematic.

1 Q. Before working for Ripple,
2 Mr. Garlinghouse, did you have any experience with
3 cryptography?

4 A. No.

5 Q. Did you have any experience before
6 working for Ripple with distributed ledgers?

7 A. No.

8 Q. Did you have any experience before you
9 joined Ripple with cryptocurrency?

10 A. Minimal.

11 Q. What was that experience?

12 A. I owned some bitcoin.

13 Q. Other than that, did you have any
14 experience with cryptocurrency?

15 A. No.

16 Q. Did you have any experience with
17 Byzantine fault theory?

18 A. No.

19 Q. When you joined Ripple, what, if any,
20 work did you do to sort of educate yourself or
21 familiarize yourself with distributed ledgers and
22 blockchain technology?

23 A. I met with people at Ripple to better
24 understand Ripple's technology.

25 Q. What people did you meet with?

1 A. Certainly [REDACTED] I believe was
2 the CTO at the time. [REDACTED] was the VP of
3 engineering at the time. Arthur Britto was an
4 outside advisor to the company. That would be a
5 handful of examples.

6 Q. Okay. When you joined Ripple, did you
7 understand that Ripple owned XRP?

8 A. I actually don't recall what I actually
9 understood at the time I joined Ripple.

10 Q. You're talking about, like, the day you
11 started?

12 A. Yeah.

13 Q. Shortly after starting Ripple --
14 starting to work at Ripple, did you come to
15 understand that Ripple held XRP?

16 A. Certainly during the course of calendar
17 year 2015 I came to understand that Ripple owned
18 XRP.

19 Q. Before you started at Ripple, who did
20 you meet with about Ripple at Ripple?

21 A. Sorry. Maybe just restate the question,
22 please.

23 Q. Sure.

24 Who did you meet with Ripple sort of --
25 let me start again.

1 Who did you meet with at Ripple in
2 connection with starting your employment there?

3 A. Including interviews?

4 Q. Yeah.

5 A. So my first interview -- well, the
6 interview came by virtue of outreach from a
7 recruiter named [REDACTED] with a recruiting firm
8 I can't recall the name of. Includes the name
9 [REDACTED]

10 And I first met with Chris Larsen. I
11 probably met people coming and going, but the
12 first meeting was Chris Larsen. I think I was
13 introduced to a couple of people on the way in and
14 the way out.

15 I remember coming back and meeting with
16 a number of people who would have reported to this
17 newly created position of COO. That included
18 [REDACTED] that included Monica Long, that
19 included Patrick Griffin. I think that included
20 Asheesh Birla.

21 I met with at least one board member, a
22 gentleman named Arjan Schutte, who is no longer on
23 the board. I can't -- that's all I can recall.

24 Q. So is it your recollection today that
25 after these meetings, these sort of preliminary

1 meetings or interviews, you were not necessarily
2 sure about whether Ripple owned XRP, is that
3 right?

4 MR. SOLOMON: Objection.

5 A. Yeah, I actually remember -- and I think
6 in my deposition from the investigation, you know,
7 I remember interviewing with Chris Larsen. I
8 remember leaving the meeting and thinking I did
9 not know what he was talking about because I maybe
10 hadn't done enough homework going into the meeting
11 to understand some of the things that he was
12 describing.

13 I remember him talking about billions of
14 XRP and me -- the word "billions" is a notable
15 thing. And so I was, like, what is he talk -- you
16 know. So I did not understand and sought to
17 better understand, but I don't recall, you know,
18 what research I did.

19 Q. Sure.

20 So throughout the calendar year 2015,
21 you -- you came to understand that Ripple held
22 billions of XRP, is that right?

23 A. Yes.

24 Q. And how did you come to gain that
25 understanding?

1 A. I don't recall.

2 Q. And throughout calendar year 2015, did
3 you come to understand that Ripple's XRP holdings
4 were a significant asset for Ripple?

5 MR. SOLOMON: Objection to form.

6 A. No.

7 Q. Did you ever come to understand that
8 X -- Ripple's XRP holdings were a significant
9 asset for Ripple?

10 A. Yes.

11 Q. At what point did you come to understand
12 that?

13 A. I didn't consider Ripple's holdings of
14 XRP significant probably until 2017.

15 Q. And why -- why in 2017 did you start to
16 consider them to be significant?

17 A. Two factors: One is the liquidity in
18 the XRP market had increased markedly and the
19 value of the XRP that Ripple held increased
20 markedly.

21 Q. And "the value," do you mean the -- does
22 that include the price of XRP?

23 A. Price I think would be included in
24 value, yes.

25 Q. Okay. So -- understood.

1 Has the regulatory status of XRP -- I'm
2 not talking just about securities laws, but has
3 the regulatory status of XRP been an important
4 issue for you throughout your tenure as Ripple's
5 CEO?

6 MR. SOLOMON: Objection to form.

7 A. No.

8 Q. Has -- at any time during your tenure as
9 Ripple's CEO, has the regulatory status of XRP
10 been important to you?

11 MR. SOLOMON: Objection to form.

12 A. Yes.

13 Q. At what time did that -- did it begin
14 being important to you?

15 A. What I -- what I recall is Ripple
16 received a letter from the SEC in spring, late
17 spring, of 2018. And that was a time when I was,
18 like, oh, okay, this needs to increase on the
19 prioritization list.

20 MR. SOLOMON: And if I could just
21 interrupt, when you say "regulatory
22 status," do you mean across the board or
23 just with respect to the Securities and
24 Exchange --

25 MR. TENREIRO: No, I meant across

1 the board. And that's why I want to go
2 back, because I think he might have --

3 MR. SOLOMON: That's what I was
4 clarifying, yes.

5 BY MR. TENREIRO:

6 Q. So let me -- let me -- thank you for
7 that. I want to get to that.

8 MR. TENREIRO: And thank you to
9 Mr. Solomon, because my question was
10 broader first.

11 A. Okay.

12 Q. So sort of the regulatory status of XRP.

13 A. Oh, yeah.

14 Q. You know, it doesn't just have to be
15 securities laws.

16 Was that important in general to you
17 when you were the CEO?

18 A. Well, maybe even going slightly more
19 macro, you know, I -- I would say I spent --
20 certainly before the time I referenced earlier of
21 the spring of 2018, early spring of 2018, you
22 know, I was meeting with central bankers around
23 the world. You know, that was primarily to
24 provide clarity, transparency, education about
25 Ripple, about how we used XRP.

1 You know, other governments around the
2 world are, frankly, ahead of the United States in
3 providing clarity about how they looked at digital
4 assets broadly. You know, the UK created
5 something called the Token Taxonomy Act. Other
6 governments created various things.

7 So I spent time, energy -- directly,
8 indirectly -- to educate myself as well as
9 evangelize and hopefully educate the market on,
10 you know, various constructs that I thought would
11 allow for these industries to thrive.

12 Q. Okay. So -- and -- and in terms of the
13 importance -- let me start again.

14 As the CEO of Ripple, throughout your
15 tenure has it been important to you that Ripple
16 comply with U.S. law?

17 MR. CERESNEY: Objection to
18 form.

19 A. Yes.

20 Q. Okay. And to the extent that you spent
21 time -- I think we said central bankers -- did
22 this begin when you were COO? when you were CEO?
23 Can you give me a point of reference as to when
24 this sort of activity began for you?

25 A. I don't recall specifically. I think

1 it's fair to say that it has always been a
2 priority for Ripple to act, you know, within and
3 in concert with governments around the world in
4 how the digital asset market was evolving.

5 As you probably are aware, I think in
6 contrast -- and, frankly, one of the things that
7 drew me to Ripple, I felt, having owned bitcoin
8 and looked at the digital asset mark -- market
9 broadly, I felt that the idea that bitcoin and
10 some in the early origins of the kind of crypto
11 industry were very anti-government, anti-bank,
12 we're going to circumvent the government, we're
13 going to circumvent the banks. And I always felt
14 that that was, at best, shortsighted.

15 And one of the things that drew me to
16 Ripple was Ripple's view that, hey, we're going to
17 work with the banks, we're going to work alongside
18 the governments, and use these technologies to
19 provide benefit to customers, to consumers, to,
20 you know, all segments of the population.

21 Q. Okay. And did you -- you -- you -- you
22 mentioned a few moments ago sort of the late
23 spring of 2018 as a moment where you got a letter
24 from the SEC, is that correct?

25 A. That's correct.

1 Q. Did you get it personally or did you get
2 it through counsel?

3 A. I believe I got it through counsel.

4 Q. Okay. And who was that?

5 A. [REDACTED] was our general counsel at
6 the time.

7 Q. Okay. Do you know how [REDACTED] got it?

8 A. I do not.

9 Q. Okay. Did you read the letter?

10 A. And, by the way, to be fair, it may have
11 come directly to me. Someone -- between the time
12 it came into the building and got to me, I think
13 [REDACTED] was probably the first recipient of it.

14 Q. Did you read the letter?

15 A. At some point I'm sure I did.

16 Q. Okay. Did you -- so I'm just going to
17 use the late spring of 2018 as that moment in
18 time.

19 Before the late spring of 2018, had you
20 had conversations with your chief compliance
21 officer about the regulatory status of XRP under
22 U.S. laws?

23 A. I don't recall.

24 Q. And the chief compliance officer, just
25 to be clear, was Antoinette O'Gorman at that time?

1 A. I believe so, yes.

2 Q. Okay. If XRP is deemed to be a security
3 under United States law, would that have a
4 significant impact on Ripple?

5 MR. CERESNEY: Objection.

6 MR. SOLOMON: Objection.

7 A. Well, part of -- I mean, I think, to
8 answer that question, I'd be commenting on
9 conversations I've had with counsel.

10 Q. So I'm asking you as the CEO of the
11 business, you know. From your business
12 perspective, would that determination have a
13 significant impact on your company?

14 MR. SOLOMON: Only if you can
15 answer the question without getting into
16 conversations that you've had with
17 attorneys.

18 THE WITNESS: Yeah.

19 A. When I arrived at Ripple, I knew nothing
20 about securities laws. Probably in late spring of
21 2018, I had limited familiarity with securities
22 laws.

23 So my understanding of how Ripple's
24 business might, could have been, would be affected
25 by -- if XRP were deemed to be a security was

1 certainly informed by legal counsel.

2 Q. Okay. If you -- if Ripple was not ever
3 able to sell another unit of XRP again, would that
4 be significant for Ripple?

5 MR. SOLOMON: Objection to form.

6 A. Possibly.

7 Q. What would it depend on?

8 A. How Ripple's business evolved without
9 having XRP.

10 Q. We'll get back to that.

11 Let's -- you said when you arrived at
12 Ripple you knew nothing about securities laws, is
13 that correct?

14 A. I knew very little about securities
15 laws.

16 Q. You've -- you've never gone to law
17 school, for example, correct?

18 A. Correct.

19 Q. You've never practiced law?

20 A. I have never practiced law.

21 Q. Okay. In 2017 you read the SEC's DAO
22 Report, D-A-O Report?

23 MR. SOLOMON: Objection to form.

24 A. I don't recall reading the DAO Report.

25 Q. You were aware of the DAO Report?

1 MR. SOLOMON: Objection to form.

2 A. I was aware of the DAO Report.

3 Q. And -- all right.

4 So do you understand that one of the
5 issues in this case is whether XRP was offered and
6 sold by -- by Ripple as a security subject to
7 regulation by the SEC?

8 MR. SOLOMON: Objection to form.

9 A. Can you repeat that question?

10 Q. Yes.

11 Do you understand that one of the issues
12 in this matter, in this litigation, is whether
13 Ripple offered and sold XRP as a security?

14 MR. SOLOMON: Objection to form.

15 A. Yes.

16 Q. Has anyone at the SEC ever told you that
17 they did not view Ripple's offers and sales of XRP
18 as securities transactions?

19 MR. CERESNEY: Do you mean other
20 than with discussions with counsel?

21 THE REPORTER: I'm sorry, I
22 can't hear you.

23 MR. CERESNEY: Do you mean other
24 than through discussions with counsel?

25 MR. SOLOMON: I think he was

1 saying at the -- has any SEC employee --

2 MR. TENREIRO: Has any SEC
3 employee told him --

4 THE WITNESS: Will you repeat the
5 question, please?

6 MR. TENREIRO: Yes.

7 THE WITNESS: Thank you.

8 BY MR. TENREIRO:

9 Q. Has any SEC employee ever told you that
10 they did not view Ripple's offers and sales of XRP
11 as securities transactions?

12 A. No.

13 Q. Has any SEC employee ever told you that
14 they did not view your offers and sales of XRP as
15 a securities transaction?

16 A. No.

17 Q. Has any SEC employee ever told you that
18 the SEC does not view Ripple's offers and sales of
19 XRP as a securities transaction?

20 A. No.

21 Q. Has any SEC employee ever told you that
22 the SEC does not view your offers and sales of XRP
23 as a securities transaction?

24 A. I think implicit in that question is
25 that -- sorry, could you repeat the question?

1 Q. Has any SEC employee ever told you that
2 the SEC does not view you, Mr. Garlinghouse's,
3 sales of XRP as securities transactions?

4 A. I'm not trying to be -- I'm having
5 trouble following that whole thing. One more
6 time. I apologize.

7 Q. Yeah. No problem.

8 Has any SEC employee ever told you that
9 the SEC itself --

10 A. Yes.

11 Q. -- does not view Mr. Garlinghouse's
12 transactions as securities transactions?

13 A. No.

14 Q. Okay. Are you aware of anyone
15 affiliated with the SEC communicating to anyone at
16 Ripple sort of in sum and substance that Ripple's
17 transactions are not securities transactions?

18 A. Well, when you include anyone at the SEC
19 and anyone at Ripple, I guess that includes public
20 statements that the SEC and individuals at the SEC
21 may have made to the public.

22 Q. Well, we can talk about those, but I --
23 here I was asking about conversations between SEC
24 employees or, you know, people affiliated with the
25 SEC, working for the SEC, and people working for

1 Ripple.

2 A. Not of which I'm aware.

3 Q. Okay. And are you aware that in
4 approximately September of 2019, SEC staff
5 informed Ripple that they were likely to conclude
6 that it did view Ripple's offers and sales of XRP
7 as securities transactions?

8 MR. SOLOMON: Objection to form.

9 MR. CERESNEY: Also, here again,
10 this is other than discussions with
11 counsel. So if the only discussion you
12 had was with counsel in this regard, then
13 I would instruct you not to answer.

14 MR. TENREIRO: So you're going to
15 instruct him not to answer the transmittal
16 information simply repeating what the SEC
17 said. Okay.

18 MR. CERESNEY: Yes, I am.

19 MR. TENREIRO: Go ahead.

20 MR. CERESNEY: And not -- and
21 not simply repeating. Your question was
22 broader than that. In any event, the
23 discussion between counsel and
24 Mr. Garlinghouse would be privileged.

25 MR. TENREIRO: My question is not

1 broader.

2 BY MR. TENREIRO:

3 Q. My question is: Are you aware -- yes or
4 no. Are you aware that in September of 2019, SEC
5 staff informed Ripple that the SEC staff was
6 likely to conclude that it viewed Ripple's offers
7 and sales of XRP as securities transactions?

8 A. No.

9 MR. SOLOMON: Objection to form.

10 MR. CERESNEY: And I'm going to
11 instruct the witness that if that
12 discussion was with counsel, he should
13 not answer the question.

14 Q. So are you -- you're -- go ahead.

15 A. My testimony is no.

16 Q. Okay. In 2018 you met with certain SEC
17 Commissioners at the SEC's headquarters in
18 Washington, correct?

19 A. Sorry. Could you repeat the dates?

20 Q. In 2018.

21 MR. SOLOMON: Objection; form.

22 A. I don't know the exact dates. I -- in,
23 I believe, June of 2018 -- you know, to be honest,
24 I don't remember the exact dates. It was later in
25 the summer of 2018 I met with Chairman Clayton and

1 subsequently had meetings with Commissioner
2 Roisman and Commissioner Pierce.

3 Q. What was the purpose of the meetings?

4 A. To discuss, as I had with, you know,
5 kind of many government officials around the
6 world, what Ripple does, how we use XRP, our views
7 on the crypto markets.

8 Q. How did you procure the meetings?

9 MR. SOLOMON: Objection to form.

10 A. Which -- well, I recall the meeting with
11 Chairman Clayton was organized by individuals at
12 the White House. I don't recall how the meetings
13 with Commissioner Pierce or Commissioner Roisman
14 came to fruition.

15 Q. Okay. What individuals at the White
16 House were you referencing in your prior answer?

17 A. A gentleman, [REDACTED] had taken an
18 interest in what was going on and he had been
19 helpful in organizing the meeting.

20 Q. Had taken an interest in what had been
21 going on. Can you be a little more specific?

22 A. So I think this was after the SEC had --
23 let me back up a little bit.

24 One of the things that I came to feel
25 in, you know, early 208 -- sorry, early summer of

1 2018, as evidenced by the letter we received from
2 the SEC, is that we had not been -- I had not been
3 particularly proactive or, frankly, I don't think
4 I made any trips to Washington, D.C., despite
5 talking to governments in other parts of the world
6 to talk about what Ripple's doing, how we use
7 these technologies, how the crypto markets were
8 evolving.

9 So I came to feel that we needed to be
10 more proactive in Washington. And [REDACTED] had
11 taken an interest in, I guess, the crypto markets
12 and had offered to help arrange a meeting.

13 Q. Did someone at Ripple know him or did
14 someone just contact him randomly?

15 MR. SOLOMON: Objection.

16 A. No, it -- it was even more circuitous
17 than that. The [REDACTED] a
18 gentleman, as I recall, named [REDACTED] he
19 proactively reached out to me via an introduction
20 by a gentleman named [REDACTED] [REDACTED] reached
21 out to me -- he's a friend -- and said [REDACTED]
22 [REDACTED] would like to talk to you." Again, I don't
23 remember exactly. But, "Hey, would you be open to
24 an introduction to the [REDACTED]
25 He's, you know, pro crypto. You might enjoy

1 talking to him."

2 I talked to him. And he mentioned -- I
3 think [REDACTED] used to work for him. And the
4 three of us did a phone call -- [REDACTED] and
5 myself -- and then after that [REDACTED] arranged -- or,
6 actually, I don't know how [REDACTED] arranged the
7 meeting, but he -- [REDACTED] attended the
8 meeting.

9 Q. So you're talking about the Clayton
10 meeting?

11 A. Yes.

12 Q. Let me put a pause on that because I
13 want to go back to something we were discussing a
14 moment ago.

15 I had asked you if you were aware of
16 anyone affiliated with the SEC communicating to
17 anyone at Ripple that they did not view Ripple's
18 transactions to be securities transactions. And
19 I'm paraphrasing, but you said -- you referenced
20 public statements that the SEC and individuals
21 made.

22 Do you recall referencing that a few
23 moments ago?

24 A. I do.

25 Q. What were you referring to when you were

1 referencing public statements?

2 A. I mean, there have been a number of
3 interviews by people who are currently at the SEC,
4 people who were at the SEC, who have given
5 interviews about crypto and about the regulatory
6 status of crypto.

7 Q. Did any -- in any of those interviews
8 someone at the SEC mention a view that XRP
9 transactions by Ripple were not securities
10 transactions?

11 A. Well, I think members of SEC staff, both
12 at that time and members of the SEC today, have
13 made comments which have suggested that they did
14 not view XRP as a security.

15 Q. What -- and what comments are you
16 referencing?

17 A. Well, I happened to see on Twitter
18 yesterday Chair Gensler was saying in 2018 that he
19 viewed 75 percent of the crypto market as not
20 securities, as one example.

21 Q. Right.

22 So Mr. Gensler was not associated with
23 the SEC in 2018, correct?

24 A. As far as I know, yes.

25 Q. Okay. So let me frame the question in

1 time.

2 Before the filing of the lawsuit, did
3 anyone at -- at the SEC, who was at the SEC at
4 that time, make public statements that they did
5 not view Ripple's transactions in XRP as
6 securities transactions?

7 A. Well, I mean, again, referencing public
8 statements, the director of corporate finance,
9 Bill Hinman, had given an in-depth speech. One of
10 the topics he covered in that was that X -- excuse
11 me, ETH was not a security and, in large part,
12 because of the decentralization of ETH, which I
13 viewed -- and I think others viewed as well -- XRP
14 in many ways is more decentralized than ETH. And
15 if decentralization was an important component of
16 the SEC's determination that ETH was not a
17 security, that seemed like a positive indicator
18 for how the SEC may view XRP.

19 MR. SOLOMON: That was your
20 inference. I think what he's asking is
21 specifically about XRP. If you recall
22 anybody from the SEC specifically
23 commenting on the regulatory status of
24 XRP, whether it was or was not a security,
25 if I have that right.

1 A. No.

2 MR. TENREIRO: You do.

3 MR. SOLOMON: Okay.

4 BY MR. TENREIRO:

5 Q. Okay. So let's go back to the -- the
6 meeting, I think with Clayton. Generally your
7 recollection is somebody named [REDACTED] might
8 have helped secure that meeting, correct?

9 A. Not might have. He did.

10 Q. Oh, he did. Okay.

11 And what about -- did he also help you
12 set up the meeting with Commissioner Pierce?

13 A. I don't recall.

14 Q. Okay. And did Ripple give [REDACTED]
15 anything of value in connection with him setting
16 up the meeting?

17 A. Not that I'm aware of.

18 Q. Okay. Did you meet with Commissioner
19 Pierce?

20 A. Yes.

21 Q. Who was present? Sorry.

22 A. Yes. I believe so.

23 Q. Okay. Where?

24 A. I believe it was at the SEC's offices.

25 Q. Who was present?

1 A. Commissioner Pierce was present. I was
2 present. And I don't recall who else.

3 Q. Were any of your lawyers present?

4 A. Not to my recollection.

5 Q. And at the meeting with Commissioner
6 Roisman, who was present?

7 A. Commissioner Roisman was present. I
8 believe his chief of staff was present. Actually,
9 I do believe at that meeting that maybe his -- to
10 the extent he has counsel, I think there was a
11 lawyer that attended from the SEC.

12 Q. You mean for Mr. Roisman?

13 A. Yes.

14 Q. Commissioner Roisman.

15 A. Sorry. Yes.

16 Q. Did -- was your counsel present?

17 A. No. Actually, let me restate that. Not
18 to my recollection.

19 MR. SOLOMON: And just for
20 clarification, when you say "your
21 counsel," do you mean Ripple's counsel,
22 Brad's personal counsel, or both? I just
23 want to make sure that we're clear on
24 that.

25 BY MR. TENREIRO:

1 Q. Were either of -- either your personal
2 counsel or Ripple's counsel present?

3 A. I didn't have personal counsel until
4 2020. So I'm certain that my personal counsel was
5 not present.

6 Q. Sure. And -- okay.

7 And, now, at the meeting with Chair
8 Clayton, was -- since you did not have personal
9 counsel, was Ripple's counsel present at that
10 meeting?

11 A. No.

12 Q. Who was present?

13 A. From Ripple?

14 Q. Yes. Well, anybody. Who was present?

15 A. I -- I doubt I can -- I mean, my
16 recollection, Chair Clayton was certainly there,
17 Director Hinman was there. I believe Chair
18 Clayton's chief of staff was there, David Schwartz
19 was there, I was there, and [REDACTED] was there.
20 And I think that's a comprehensive list.

21 Q. How long did that meeting last?

22 A. I believe an hour.

23 Q. Did -- have you ever met with any other
24 sitting SEC commissioner? I understand, you know,
25 there's some former commissioners, but have you

1 ever had meetings with sitting -- sitting SEC
2 commissioners?

3 A. Not to my knowledge.

4 Q. Other than the meetings with Chair
5 Clayton, Commissioners Roisman and Pierce, other
6 than those three meetings -- sorry.

7 Did you meet with any of them more than
8 once?

9 MR. SOLOMON: Objection to form.

10 A. Sorry. One recollection I just had is I
11 did -- I don't remember when Commissioner Jackson
12 left his tenure. I think I may have met with him
13 immediately before, within like the week before he
14 exited his commissioner status.

15 Q. Okay. For what purpose did you meet
16 with him?

17 A. I mean, similar to talk about what's
18 going on in crypto, to talk about with what's
19 going on with Ripple. Evangelizing, you know,
20 what Ripple's up to and our views of, you know,
21 U.S. regulatory dynamics.

22 Q. Did you meet with him at the SEC?

23 A. No.

24 Q. Where did you meet with him?

25 A. Here in New York.

1 Q. Where in New York?

2 A. I don't recall the name of the place, to
3 be honest with you. It was a coffee shop, I
4 think.

5 Q. In these meetings with the
6 Commissioners, did any of the commissioners tell
7 you that they did not believe that XRP is a
8 security?

9 A. Yes.

10 Q. Who?

11 A. I recall Commissioner Roisman very
12 specifically saying "I'm sorry you've even had to
13 come here." I think that the confusion about the
14 status of XRP he viewed as not healthy for the
15 market. I -- I don't -- I recall less about the
16 meeting with Commissioner Pierce.

17 Q. Okay. Did the Chair tell you he did not
18 believe XRP was a security?

19 A. No.

20 Q. Okay. And Commissioner Roisman, you --
21 you referenced he said he was sorry you had to
22 come here, but did he tell you that he did not
23 view XRP as a security?

24 MR. SOLOMON: If you recall.

25 A. Yeah. I don't recall the exact words

1 that were used. I -- I think -- I mean,
2 understandably, you're asking me did I have
3 clarity -- you're asking about each of these
4 meetings and did someone make an affirmative
5 statement they didn't view XRP as a security. In
6 none of these meetings did everyone -- anyone ever
7 say they viewed that XRP was a security.

8 Q. Okay. So you recall that -- you recall
9 that at none of these meetings anyone said that
10 they viewed that XRP was a security? You recall
11 that, is that fair?

12 A. I think I would certainly recall if a --
13 if a -- and as I testified earlier in this
14 deposition, if a SEC member, commissioner or
15 otherwise, had said they viewed XRP was a
16 security, I would remember that.

17 Q. And would you remember if one of them
18 had said they viewed it as not a security?

19 A. Well, I -- I recall Commissioner
20 Roisman, without knowing exactly the words that
21 were said, making statements that in the -- you
22 know, there may be contemporaneous emails,
23 although those may have been internal with
24 counsel, but said that, you know, having had these
25 meetings, I -- I think it's worth pointing out,

1 you know, I didn't go to any of these meetings
2 with a lawyer because there never was a viewpoint
3 that that would have even have been necessary.
4 And certainly no one at the SEC ever said anything
5 to suggest that perhaps the SEC might view XRP as
6 a security and perhaps they might view Ripple's
7 sales of XRP as unregistered such that a lawyer
8 would have even have been necessary.

9 Q. Okay. But let's just go back because
10 I'm trying to get an answer on the Rois -- the
11 Commissioner Roisman question.

12 You have a recollection that none of the
13 Commissioners told you they viewed it as a
14 security. And my question is, do you have a
15 recollection of any of the Commissioners telling
16 you they did view it as a security specifically?

17 MR. SOLOMON: Objection to form.

18 A. Can you repeat the question?

19 Q. Yes.

20 Do you have a recollection of any of the
21 commissioners at these meetings telling you they
22 viewed XRP as a security?

23 A. I think I testified the answer to that
24 is no.

25 Q. Okay. And do you have any recollection

1 of any of the commissioners at these meetings
2 telling you they did not view XRP as a security?

3 A. And I think I testified yes.

4 Q. Okay. And that's Commissioner Roisman?

5 A. Correct.

6 Q. And did any of the commissioners' staff
7 members share with you their views as to whether
8 XRP was a security?

9 A. I don't recall.

10 Q. Okay. Did you convey what Commissioner
11 Roisman told you to anybody else?

12 MR. SOLOMON: And, again, be
13 careful here not to --

14 THE WITNESS: Yeah.

15 MR. SOLOMON: -- disclose
16 information that you may have conveyed to
17 counsel in connection with privileged
18 conversation.

19 A. Could you repeat the question?

20 Q. Did you convey what the commissioner
21 told you, Commissioner Roisman told you, to
22 anybody else?

23 A. Not that I can specifically recall.

24 Q. At the time of the meeting with
25 Commissioner Roisman, you are aware that the SEC

1 was investigating Ripple, correct?

2 A. No.

3 Q. You had not received -- you had not
4 received the letter from SEC when you met with
5 Commissioner Roisman?

6 A. I definitely did not and I don't think
7 even from the SEC's definition that that would
8 have been considered an investigation at that
9 time.

10 Q. Okay. You had received -- you
11 definitely did -- had not received a letter from
12 the SEC by the time you met with Commissioner
13 Roisman?

14 A. No, that's not my testimony.

15 Q. Okay. I -- I apologize. Can you
16 clarify?

17 A. Ask the question again, please.

18 Q. Yes.

19 At the time that you -- that you met
20 with Commissioner Roisman, had you received a
21 letter from the SEC?

22 A. Yes.

23 Q. Okay. So you were aware that the SEC
24 was asking questions about Ripple's activities at
25 that time?

1 A. I don't remember, and I haven't reread
2 the -- that letter from the SEC. I think my
3 understanding at the time was that the SEC wanted
4 to discuss the status of XRP, not necessarily
5 Ripple's activity with it.

6 Q. The status of XRP under the securities
7 laws?

8 A. Under the securities laws.

9 Q. Okay. What was the understanding based
10 on?

11 MR. SOLOMON: Again, be very
12 careful in responding that you don't
13 disclose attorney-client privileged
14 information you may have had with counsel.
15 Not me, other counsel.

16 A. Okay. Can you ask the question again?

17 Q. Sure.

18 You said "my understanding at the time
19 was that the SEC wanted to discuss the status of
20 XRP, not necessarily Ripple's activity with it."
21 And my question is, what was that understanding
22 based on?

23 A. I think I can't really comment to that
24 outside of attorney-client privilege.

25 Q. Okay. So you had -- but you had an

1 understanding that the SEC wanted to discuss the
2 status of XRP when you met with Commissioner
3 Roisman?

4 A. Yes.

5 Q. Did that understanding that the SEC
6 wanted to discuss the status of XRP change after
7 your meeting with Commissioner Roisman?

8 A. You know, even today I don't fully
9 understand the dynamic between a commissioner and
10 staff. And so I would not have expected that a
11 commissioner having a viewpoint, whether or not
12 that affected staff's activity.

13 And, again, I think it's worth pointing
14 out I never would have used the word
15 "investigation" to describe the SEC's activities.
16 I think it was primarily led by corporate finance
17 as it related to XRP in this time period.

18 And so I kind of viewed it as, okay, you
19 know, as I had with many government -- governments
20 around the world, this was an opportunity to
21 explain, discuss, educate. And in part, frankly,
22 because other governments around the world had
23 taken express clarifying views that XRP was a
24 currency, I viewed it as, okay, you know, let's
25 have conversations with the SEC as well.

1 Q. You said "other governments around the
2 world have taken express clarifying views that XRP
3 was a currency." As of the time you were having
4 conversations with the SEC?

5 A. I think that's right, yes. I believe
6 so.

7 Q. Can you recall which ones?

8 A. Well, certainly the UK, Japan, and
9 Singapore would all come to mind.

10 Q. Any others?

11 A. Switzerland has taken a -- I mean, my
12 one qualification here is I don't remember exactly
13 what timelines and, you know, the fuzzy --
14 fuzziness of, you know, what happened in 2017,
15 2018. But certainly in -- my recollection is that
16 a number of governments around the world in 2017,
17 because of what I would describe as an ICO boom,
18 an initial coin offering boom, got more active and
19 provided clarifying statements.

20 And so I would probably highlight Japan,
21 UK, Singapore, maybe Switzerland.

22 Q. Okay. And, again, this issue of
23 regulatory status was important to you as CEO.
24 You were meeting with, I think you said, central
25 banks, et cetera.

1 MR. SOLOMON: Objection to form.

2 A. I don't think that was my testimony. I
3 think my testimony -- I didn't consider regulatory
4 status. I thought it was important that central
5 banks understood that how Ripple uses its
6 technology doesn't circumvent any of the
7 financial, you know, rules and regulations
8 associated with money laundering, KYC, OFAC
9 compliance.

10 And I think -- my experience was that
11 when central banks, when various regulators
12 understood that the nature of Ripple's technology,
13 and even how we use XRP, doesn't circumvent a
14 regulated end point in a financial institution,
15 that the laws that they apply for whatever
16 financial regulations they want to put in place
17 don't change based upon using Ripple's technology
18 in their markets.

19 Q. Separate from meetings with central
20 banks, was the regulatory status of XRP important
21 to you as CEO in 2017?

22 A. No.

23 Q. Okay. Did it ever become important to
24 you?

25 A. Yes.

1 Q. When?

2 A. I -- I think my testimony earlier was
3 when we received a letter from the SEC, it -- it
4 raised on my prioritization list.

5 MR. SOLOMON: Again, I just want
6 to clarify. His regulatory status in
7 relation to the SEC or generally?

8 MR. TENREIRO: I was talking
9 generally.

10 MR. SOLOMON: Okay. That's not
11 the question. He was asking you --

12 THE WITNESS: Yes.

13 MR. SOLOMON: -- as to whether
14 the regulatory status was important to you
15 at any point in time.

16 THE WITNESS: Repeat the question
17 one more time. I apologize.

18 BY MR. TENREIRO:

19 Q. Was the regulatory status of XRP
20 important to you as CEO in 2017?

21 A. The thing I'm trying to separate is
22 regulatorily -- regulatory status as opposed to,
23 you know, regulatory, you know, rules and
24 regulations associated with money transmission.
25 The latter would have always been important to me.

1 Q. Okay.

2 A. The former generally wasn't because I
3 didn't think of it as an important, critical
4 issue, because it seemed so obvious to me that it
5 was a currency and is being regulated as a
6 currency by many governments around the world. I
7 didn't think of it as a critical, important issue
8 that needed lots of attention because it seemed
9 obvious to me.

10 Q. So the regulatory status of XRP, for
11 example, with respect to money transmission rules,
12 were important to you throughout your tenure as
13 CEO, is that correct?

14 A. Yes.

15 Q. Okay. Were there any other sort of
16 regulatory frameworks that were important to you?
17 So I think you -- we've been talking about
18 securities and -- and money transmission. Other
19 regulatory frameworks that were important to you
20 with respect to XRP in 2017?

21 A. It's a very broad question. You know,
22 well, maybe ask the question one more time so I --
23 or if you could maybe narrow it a little bit, that
24 would be helpful.

25 Q. Well, other -- just -- I'm just asking

1 for a recollection.

2 So other than, you know, money
3 transmission type rules, securities-related
4 issues, were there other regulatory issues that
5 were important to you with respect to XRP in 2017?

6 A. Is KYC considered a money transmission
7 rule?

8 Q. So KYC is another.

9 Any -- anything else you can recall?

10 A. So I view -- I viewed -- my recollection
11 from really the earliest days, in part because of
12 the settlement that Ripple had with FinCEN, from
13 the earliest days thinking that any rule,
14 regulation, law, as it related to banking, whether
15 it's, you know, OFAC compliance, anti-money
16 laundering, terrorist finance protection, you
17 know, all of those constructs as very important --
18 our work with banks meant that all of those were
19 very important and needed to be -- we needed to
20 educate, both internally/externally, how Ripple
21 did or did not impact those dynamics.

22 Q. Okay. And then after you received the
23 letter from the SEC, I think you said that the
24 securities issues raised in importance for you.

25 A. Yes, as a -- as a prioritization matter,

1 I had not considered that a high priority. And
2 after receiving the SEC's letter, it became a
3 higher priority.

4 Q. Okay. After your meeting with
5 Commissioner Roisman, did you come to understand
6 that whatever questions the SEC had about Ripple's
7 XRP activities had ceased?

8 MR. SOLOMON: Objection.

9 A. No.

10 Q. And did the issue of XRP status with the
11 SEC, did that lower in priority after your meeting
12 with Commissioner Roisman?

13 MR. SOLOMON: Objection to form.

14 A. I -- probably directionally, yes.
15 Right? I mean, if you meet with a commissioner of
16 the SEC and you come away feeling like there's,
17 you know -- at no point did it seem like there
18 was a -- at least at that point it did not seem
19 like there was an investigation. At no point did
20 it seem like, you know -- the posture of an
21 important U.S. regulator was kind of, hey, we're
22 exploring and trying to figure this out ourselves.
23 And it seemed very cooperative and -- to me. Even
24 meetings I recall you sitting in, you know, there
25 were 20 people from the SEC attending and, you

1 know, 18 or 19 of them were not from enforcement.

2 Q. So I guess I'm trying to understand. At
3 no point you said -- I'm reading. You said "At no
4 point did it seem like -- the posture of an
5 important U.S. regulator was kind of, hey, we're
6 exploring and trying to figure this out
7 ourselves."

8 So what did it seem like to you that it
9 was?

10 MR. SOLOMON: Objection to form.

11 Q. So --

12 A. I'm not sure that's exact -- I mean, I
13 understand that's what you're reading, but I don't
14 recall saying exactly that. But maybe just to
15 answer your question, I think my recollection is
16 that a letter was received from the SEC and our
17 engagement with the SEC was not with enforcement.
18 It was with corporate finance.

19 And we spent a fair bit of energy with,
20 generally speaking -- I mean, I think I used -- I
21 think there were about 20 people from the SEC at
22 one meeting I recall of which I think you may have
23 been the only person from enforcement.

24 Q. (Indicating.)

25 A. A couple. All right. Very few.

1 And, you know, so my view was, hey, this
2 is a -- a new asset class. The SEC was trying to
3 understand how different projects work. I
4 don't -- I mean, I think all those meetings
5 happened after Director Hinman's speech about ETH.
6 And, you know, I think we were pushing for further
7 clarity. I thought the ETH speech, you know,
8 begged many, many questions. Like, okay, now we
9 know the SEC's position on bitcoin. Now we know
10 the SEC's position on ETH. And that's all we
11 knew. I mean, with the exceptions of enforcement
12 cases that had come out against maybe more
13 traditionally defined ICOs.

14 THE REPORTER: "I mean" --
15 repeat.

16 A. I mean, other than cases that had
17 already been brought against what we would more
18 formally consider traditional ICOs.

19 Q. And I think you said enforcement cases,
20 but, okay.

21 So when -- what --

22 A. Are there cases that aren't enforcement?

23 Q. That's a good point.

24 So what did you understand the purpose
25 then of the meetings with CorpFin were? With

1 CorpFin were, what was the purpose in your mind?

2 MR. SOLOMON: And I just want to
3 know, with CorpFin, can you be more spe --
4 you can ask him the general question. He
5 can say what he recalls. I don't know if
6 you wanted him to be more specific in your
7 answer. I don't know.

8 MR. TENREIRO: Yeah. I mean -- I
9 guess let me try this.

10 BY MR. TENREIRO:

11 Q. You were talking about the meetings,
12 there were 20 people. I was at one of them, you
13 know.

14 What did you think the purpose of Ripple
15 meeting with the SEC was at that point in time?

16 A. To learn.

17 Q. For the SEC to learn?

18 A. Yeah.

19 Q. Okay. To learn about what?

20 A. Ripple. To learn about XRP.

21 Q. Okay. Anything else you can recall sort
22 of thinking the purpose was?

23 A. (Indicating.)

24 Q. Verbal, please. Verbal answer.

25 A. No. Sorry.

1 Q. The court reporter --

2 A. Right. Right.

3 Q. Okay. All right. So I think -- going
4 back, you know, I think you said directionally
5 your meeting with Commissioner Roisman was
6 important given what he said to you. Is that --

7 A. I don't think that was my testimony.

8 Q. Okay. So was -- was the meeting with
9 Commissioner -- given that you were having
10 meetings with the SEC, was your meeting with
11 Commissioner Roisman and what he told you
12 important to you?

13 A. All of the meetings I had with the SEC
14 were important to me. I mean, I traveled to
15 Washington, D.C. as one evidence that I was
16 prioritizing this and taking it seriously. I took
17 all the meetings I had with individuals at the SEC
18 as important and informative.

19 Q. Okay. But to the extent Commissioner
20 Roisman conveyed to you or to the extent that --
21 to the extent that Commissioner Roisman conveyed
22 to you his views about XRP, was that of particular
23 significance --

24 MR. SOLOMON: Objection.

25 Q. -- in the role of these several

1 meetings?

2 MR. SOLOMON: Objection to form.

3 A. I mean, I wouldn't say it was of
4 particular significance beyond the idea -- I
5 viewed all the meetings with the SEC as
6 significant. It was significant. I viewed all
7 the meetings as significant. I didn't view the
8 Roisman conversation as massively more significant
9 or less significant.

10 Q. Okay. Now, is your understanding of the
11 purpose of your meetings with the CorpFin staff
12 based on advice from counsel or is it based on
13 your own sort of understanding?

14 MR. SOLOMON: Objection to form.

15 A. Could you ask that question again?

16 Q. Yes.

17 Is your understanding of the purpose of
18 your meetings with the CorpFin staff based on
19 advice from counsel or is it based on your own
20 understanding?

21 A. That's an excellent question. Meaning,
22 you know, I had very little knowledge. As I
23 testified earlier, I -- you know, I'm not a
24 lawyer. I'm not a securities lawyer. I had very
25 little knowledge about how the SEC worked. And so

1 part of -- certainly part of the education of how
2 the SEC worked and the significance of who was in
3 the room for various meetings would have come from
4 conversations with counsel.

5 Q. Okay.

6 MR. TENREIRO: Can we take a look
7 at Exhibit 51, please?

8 (Whereupon, exhibit is presented
9 and marked SEC Garlinghouse Exhibit 51
10 for identification.)

11 MR. TENREIRO: Here's to you,
12 Matt, and then the rest down there. One
13 for Bridget, please.

14 BY MR. TENREIRO:

15 Q. All right. So I'm going to just read
16 into the record while you take a look at the
17 exhibit, Mr. Garlinghouse. This is BG-51, Bates
18 RPLI_SEC 235167. It appears to be an email of
19 November 11, 2018, from Mr. Garlinghouse.

20 Do you see all that?

21 A. I do.

22 Q. Okay. And it appears to be addressed to
23 a [REDACTED] is that correct?

24 A. Yes.

25 Q. Who is that?

1 A. [REDACTED] is a friend of Chris
2 Larsen's.

3 Q. But what does he do in life?

4 A. I don't know exactly. I know he's been
5 a very successful businessman.

6 Q. Why did you send him this email?

7 A. Can I read the email first?

8 Q. Yeah. Oh, I thought you had. I'm
9 sorry.

10 A. No.

11 (Pause)

12 A. Okay.

13 Q. Why did you send him this email?

14 MR. SOLOMON: Objection to form.

15 A. I don't recall.

16 Q. Did Mr. Larsen ask you to send this
17 email?

18 MR. SOLOMON: Objection to form.

19 A. I don't recall.

20 Q. The subject is "Notes for Eli."

21 Who is Eli?

22 A. I believe Eli -- well, I'm not a hundred
23 percent sure. I believe Eli is Secretary
24 Mnuchin's Chief of Staff.

25 Q. Was, right? Back then.

1 A. Yeah.

2 Q. Okay.

3 A. Well, actu -- I don't know.

4 Q. Why -- why were you sending notes for
5 Eli?

6 A. Maybe can you clarify the question a
7 little bit?

8 Q. Yeah.

9 Why were you sending [REDACTED] notes
10 for Eli?

11 A. My recollection is that [REDACTED] has
12 a personal relationship with Mnuchin, with the
13 then-sitting Secretary Mnuchin. And in an effort
14 to, you know -- my understanding is that the Chief
15 of Staff to the Secretary of the Treasury might be
16 a facilitator of things that the Secretary might
17 choose to engage or not engage in.

18 Q. Okay. Was one of the purposes to see if
19 he might engage in statements about the regulatory
20 status of XRP?

21 MR. SOLOMON: Objection to form.

22 A. I don't recall. I obviously read the
23 email, but I don't recall.

24 Q. Okay. The email -- let's -- let's go
25 through it.

1 You say "As briefly discussed, my
2 meetings in D.C. went very well and I continue to
3 gather evidence that the SEC (and those tangential
4 to the SEC) do Not" -- and "not" is capitalized --
5 "believe that XRP is a security."

6 Do you see that?

7 A. I do see that.

8 Q. Who are you talking about there? What
9 evidence are you referring to? Let's start with
10 that.

11 A. I guess the first thing, I think the
12 absence of anyone saying that they view XRP as a
13 security, to me, would be evidence that they don't
14 view XRP as a security.

15 Q. Any other evidence?

16 A. As I testified earlier, I think my
17 conversations with Roisman -- I mean, I don't
18 remember the -- the exact time frame of -- it's
19 been years. I remember certain nuggets of my
20 conversation with Commissioner Roisman. As I
21 mentioned, I don't particularly recall my meeting
22 with Commissioner Pierce. Based upon her other
23 public statements, it certainly is reasonable in
24 my mind to imagine that I left those meetings, as
25 I describe here, that I feel they went very well

1 and felt like good news.

2 Q. Let's situate -- let's look at 49 just
3 so we can have some timing.

4 (Whereupon, exhibit is presented
5 and marked SEC Garlinghouse Exhibit 49
6 for identification.)

7 MR. TENREIRO: All right.

8 BY MR. TENREIRO:

9 Q. I'm just going to -- I'm not going to
10 spend any time on this, but I just want you to
11 take a look because it seems to reference the date
12 of your meeting with Commissioner Pierce. This is
13 BG-49 which is an email, RPLI_SEC 766852.

14 And just take a look -- have you read
15 the email?

16 A. I have.

17 Q. Okay. Do you have -- you're probably
18 not going to remember the exact date of your
19 meeting with Commissioner Pierce, do you?

20 A. No.

21 Q. Okay. Do you have any reason to believe
22 it was not on or around November 9th, 2018?

23 A. No.

24 Q. Okay. And who is [REDACTED] by the
25 way?

1 A. She was my executive assistant at the
2 time.

3 Q. Okay. And you see this email, Exhibit
4 49, references Mr. Roscoe?

5 A. Yes.

6 Q. Does that refresh your memory as to
7 whether Mr. Roscoe also helped you procure the
8 meeting with Commissioner Pierce?

9 A. It doesn't refresh my memory. Obviously
10 I see what the email says.

11 Q. Okay. All right.

12 So back to Exhibit 51, which is a
13 November 11th email -- and I'm going to get you
14 the date of the Roisman meeting in a second.
15 Okay. My understanding is that it was also on the
16 9th, the same day.

17 Do you recall if you met with both of
18 them on the same day?

19 A. I don't recall.

20 Q. Okay. Any reason to believe that that
21 is not true?

22 A. No reason to believe that.

23 Q. Okay. So back to Exhibit 51. We're
24 talking -- I was asking you what evidence you had
25 gathered. Can you -- I'm sorry. I'm going to ask

1 you just repeat, please. Can you repeat for me
2 what evidence you had gathered that you're
3 referencing in this email?

4 A. Yeah. I think my earlier testimony was
5 that the -- you know, if you have lots of meetings
6 with the SEC and no one says that XRP is a
7 security, or even at that point no one said they
8 think it is a security, the absence of that
9 information would certainly be a -- I view a
10 positive.

11 Q. Okay. Any other evidence that you have
12 gathered?

13 A. Well, as I -- I testified earlier, my --
14 my recollection from -- my recollections from my
15 meeting with Commissioner Roisman were more
16 specific in his viewpoints that he did not view
17 XRP as a security. And I remember him apologizing
18 that I felt like I needed to even come meet with
19 him.

20 Q. Are you referencing any other evidence?

21 A. I don't recall other evidence.

22 Q. Okay. And then you say "and those
23 tangential to the SEC." That's in the
24 parenthetical.

25 Do you see that?

1 A. I do see that it's a parenthetical.

2 Q. Who are you referring to as "those
3 tangential to the SEC"?

4 A. I do not recall.

5 Q. Okay. Further down you say "I've
6 outlined some key bullets that I believe capture
7 the major points for outreach to Eli."

8 Do you see that?

9 A. I do see that.

10 Q. Okay. So I'll get to the bullets in a
11 minute, but is it fair to -- am I correct in
12 understanding that you were transmitting proposed
13 sort of bullet points or ideas that [REDACTED]
14 could decide to transmit to -- to Eli?

15 MR. SOLOMON: Objection to form.

16 Q. Is that what -- what's going on here?

17 MR. SOLOMON: Objection to form.

18 A. That's my interpretation of what's going
19 on here, yes.

20 Q. Do you have any reason to believe that
21 that's not what happened?

22 A. No.

23 Q. Okay. Well, that's not --

24 A. Actually, I have no idea what happened,
25 just to be clear. I know I sent an email as

1 evidenced here. I don't recall sending the email.

2 But I have no idea what happened after [REDACTED]

3 received the email.

4 Q. Right.

5 So, for example, you don't know if he
6 did or did not contact the Chief of Staff of the
7 Secretary of the Treasury?

8 A. Correct.

9 Q. Okay. Did you ever speak to the
10 Secretary of the Treasury about XRP?

11 A. Yes.

12 Q. Okay. When?

13 A. I don't recall. Around this time frame.

14 Q. Did he express any views as to the
15 status of the XRP under the securities laws?

16 A. I don't recall.

17 Q. Did his Chief of Staff, Eli? I don't
18 remember his last name. I apologize.

19 A. Miller maybe? I don't remember. I
20 don't recall.

21 Q. Okay. All right. So you don't know if
22 [REDACTED] sent these talking points or conveyed
23 the talking points, but -- to Eli, but you did
24 talk to Eli or the Secretary of the Treasury at
25 some point?

1 MR. SOLOMON: Objection to form.

2 A. Yes.

3 Q. Okay. Did you convey to them what --
4 the evidence that you had gathered about the SEC's
5 views of XRP under the securities laws?

6 A. I don't recall. I think it's unlikely I
7 would have taken that approach in a meeting with
8 the Secretary of the Treasury. My recollection is
9 a meeting with the Secretary of the Treasury, as
10 my meetings with other senior officials at
11 governments around the world, is usually to talk
12 about what Ripple is doing as a company, how we
13 use XRP in our technology stack, how...

14 You know, one thing I do recall from
15 that meeting is there are -- a number of those
16 people at the meeting with the Secretary of the
17 Treasury, and there was a particular interest in
18 how crypto flows could or could not be used to
19 circumvent regulatory -- financial regulations in
20 ways that, you know, could be used for terrorist
21 financing and things like that.

22 Q. This evidence that you were gathering
23 that's referenced in this email, did you convey it
24 to any other government official in the United
25 States?

1 A. I don't recall.

2 Q. Did you convey it to any Ripple
3 employee?

4 A. I don't recall.

5 Q. Did you convey it to anybody?

6 A. Apparently I did.

7 Q. Other than -- other than [REDACTED]

8 A. I don't recall.

9 Q. Okay. Did -- in your meetings with the
10 commissioners, did the commissioners or their
11 staff, you know, tell you not to discuss publicly
12 the conversations you had with them?

13 A. I don't recall.

14 Q. Did the commissioners or their staff
15 warn you not to talk about the SEC's
16 investigation?

17 A. No.

18 Q. Okay.

19 A. Again, I will reiterate earlier
20 testimony. I -- at that point I certainly did not
21 view what -- the SEC's engagement with Ripple to
22 be an investigation.

23 Q. At what point did you start to view this
24 as an investigation?

25 A. I don't know. I don't recall.

1 Certainly in 2020 it reached that point in my
2 mind.

3 Q. Okay. You don't recall the point. It
4 could have been in 2019?

5 A. Could have. I don't recall.

6 Q. Okay. Okay. So you say -- sorry.
7 "Those tangential to the SEC," who are you
8 referring there to again?

9 MR. SOLOMON: Objection; asked
10 and answered.

11 A. I don't recall.

12 Q. You don't recall. Okay. All right.

13 The third bullet point says "Brad
14 Garlinghouse, Ripple's CEO, has met with SEC Chair
15 Clayton, Commissioners Roisman and Pierce to
16 discuss the above and the Ripple team has had
17 several meetings with SEC staff. All indications
18 have been that they do not believe XRP is a
19 security."

20 Do you see that?

21 A. I do.

22 Q. Who does "they" refer to in that
23 sentence?

24 A. I -- I -- I don't believe that I wrote
25 the sentence. I think that the sentence seems to

1 be referring to all of the people referred to in
2 the previous sentence.

3 Q. Who wrote the sentence?

4 A. I don't know.

5 MR. TENREIRO: Let's look at
6 Exhibit 50, please.

7 (Whereupon, exhibit is presented
8 and marked SEC Garlinghouse Exhibit 50
9 for identification.)

10 MR. TENREIRO: Here you go.

11 MR. SOLOMON: Thank you.

12 MR. TENREIRO: All right. I'm
13 just going to read into the record while
14 Mr. Garlinghouse takes a look. This is a
15 two-page email, RPLI_SEC 626652.

16 BY MR. TENREIRO:

17 Q. Do you -- do you see this appears to be
18 an email from you to Mr. Larsen on November 11th,
19 2018?

20 A. Yes.

21 Q. Okay. And you tell Mr. Larsen you're
22 planning to send [REDACTED] these points later
23 today.

24 Do you see that?

25 A. Yes, I do see that.

1 Q. Okay. And it says "I've outlined some
2 key bullets that I believe capture the major
3 points for outreach to Eli."

4 Do you see that?

5 MR. SOLOMON: Did you read the
6 email?

7 THE WITNESS: Yeah, let me just
8 do a quick, full read of it. Sorry.

9 (Pause)

10 A. Okay. Can you repeat the question,
11 please?

12 Q. Yes.

13 Do you see the part of the email that
14 says "I've outlined some key bullets that I
15 believe capture the major points for outreach to
16 Eli"?

17 A. Yes.

18 Q. Okay. Does that refresh your
19 recollection that you did, in fact, write these
20 bullets?

21 A. Certainly no.

22 Q. Okay. Do you have any reason to
23 believe, though, that what you told Mr. Larsen in
24 your email, where you say "I've outlined some key
25 bullets" is not true?

1 A. Yes.

2 Q. What is the reason?

3 A. I -- I think my experience in how I work
4 with my team is that somebody on my team probably
5 put these together.

6 Q. Okay.

7 A. I -- I use the pronoun "I" in talking
8 about work that my team does. I take credit for
9 their work all the time.

10 Q. Got it. Got it.

11 So, in fact, you took credit for these
12 bullets?

13 A. Yes.

14 Q. All right. And you read them, right?

15 A. I think it's almost certain that I would
16 have read them, yes.

17 Q. Okay. And you -- all right.

18 So going back to Exhibit 51, my question
19 was the third bullet talks about "All indications
20 have been that they do not believe that XRP is a
21 security." I asked you who "they" referred to.
22 And you said "I don't believe that I wrote the
23 sentence. I think that the sentence seems to be
24 referring to all of the people referred to in the
25 previous sentence."

1 So is it your understanding that "they"
2 means the SEC staff, SEC Chair Clayton,
3 Commissioners Roisman and Pierce? Is that your
4 testimony?

5 A. Yes.

6 Q. Okay. And on what basis did you have a
7 belief that all of those people did not believe
8 that XRP was a security?

9 A. Given the opportunity, none of them
10 chose to express to me they did believe XRP was a
11 security.

12 Q. Anything else?

13 A. As I've already testified, I think I do
14 have some recollections today of my conversations
15 with Roisman. I don't recall anything specific in
16 my conversations with Commissioner Pierce and I
17 only had one meeting with Chair Clayton.

18 So sitting here today, I can't recall
19 other reasons why I may have said that.

20 Q. Is there any document that might help
21 refresh your memory with respect to any other
22 reasons why you may have said this?

23 A. I don't recall.

24 Q. To the extent that your staff is the one
25 who wrote these bullet points, what information

1 did you give your staff so that they were able to
2 write a bullet point saying that all indications
3 have been that they do not believe XRP is a
4 security?

5 A. I probably had contemporaneous verbal
6 conversations to debrief on various meetings.

7 MR. SOLOMON: Would the SEC's
8 notes of these meetings refresh your
9 recollection perhaps?

10 THE WITNESS: If the SEC has
11 notes about these meetings, that would be
12 super helpful.

13 BY MR. TENREIRO:

14 Q. Wait a second. Wait a second. I'm not
15 talking about the meetings between the SEC. I'm
16 talking about your meetings with your staff first.
17 That's what I'm talking about.

18 A. Okay.

19 Q. I would hope the SEC does not have notes
20 of those meetings.

21 Do you have notes of those meetings,
22 though?

23 A. No.

24 Q. Okay. Do you have recordings of those
25 meetings?

1 A. No.

2 Q. Okay. So you're saying these meetings
3 were in person?

4 A. I believe you told me those meetings
5 were in person.

6 Q. No. I'm talking about your meetings
7 with your staff, Mr. Garlinghouse.

8 A. Oh, I apologize.

9 Q. Were the --

10 A. Let me -- yeah, let me back up. I think
11 I misunderstood a number of those questions.
12 Maybe we should rewind for a moment.

13 Q. Let's rewind. I think you were telling
14 me that your staff might have drafted these bullet
15 points and I'm asking you what information you
16 gave them so that they were able to draft the
17 bullet points. And so I think you said,
18 generally, that you had meetings with them and I'm
19 trying to understand where, when, how these
20 meetings occurred.

21 MR. SOLOMON: Objection.

22 Q. So were these meetings in person?

23 MR. SOLOMON: Objection.

24 A. So let me rewind just so I now have
25 clarification of the questions you're asking.

1 I expect, based upon my behaviors of how
2 I would operate, is after I left the meeting, I
3 would probably --

4 Q. Sir, I'm going to stop you. The meeting
5 with the SEC?

6 A. Correct.

7 Q. Okay.

8 A. Well, with members of the SEC.

9 Q. Uh-huh.

10 A. I would have had a verbal conversation,
11 a telephone call, to debrief about, hey, just had
12 this meeting. Here's how it went. Here's a
13 couple bullets about it.

14 Q. And who would that conversation have
15 been with?

16 A. I mean, amongst others, it would have
17 included general counsel. I -- I don't recall.

18 Q. After your meeting with Commissioner
19 Roisman, who did you debrief?

20 A. I don't recall.

21 Q. Okay. Mr. -- Commissioner Roisman
22 telling you his views that XRP was not a security
23 and apologizing to you, I think you described that
24 as -- as significant. I think you said all the
25 meetings were significant, is that right?

1 A. I did view all of the meetings with the
2 SEC as significant.

3 Q. Okay. So did you ask -- did you
4 memorialize that anywhere in writing, what he told
5 you?

6 A. I don't recall.

7 Q. Did you ask anyone to memorialize it in
8 writing?

9 A. I don't recall.

10 Q. Okay. So can you tell me which of your
11 staff members wrote the drafts of these bullet
12 points?

13 A. I don't recall.

14 Q. Would they have taken notes --

15 A. Just to clarify, I believe my testimony
16 was I don't recall who wrote these bullets. I'm
17 not saying definitively I didn't or did. I'm just
18 saying my experience is it's unlikely I wrote
19 these bullets.

20 Q. To the extent that you did not, which of
21 your staff members would have, you know, given
22 past practice?

23 A. I don't recall.

24 Q. Well, just give me a list of staff
25 members that wrote bullets for you.

1 MR. SOLOMON: For the entire time
2 he was at --

3 MR. TENREIRO: Yeah.

4 A. I mean, all of my direct reports at one
5 point or another would have drafted bullets for
6 me.

7 Q. Okay. Would your assistants have
8 drafted bullets for you, your administrative
9 assistants?

10 A. Probably not.

11 Q. Okay. So when you talk about your
12 direct reports, you're talking, for example,
13 Ms. Long, as one example?

14 MR. SOLOMON: Objection.

15 A. Yes, that would be one example.

16 Q. Mr. Schwartz was not your direct report,
17 at least in 2017?

18 MR. SOLOMON: Objection to form.

19 A. I don't recall when Mr. Schwartz started
20 reporting to me, but he would not have been
21 someone who is likely to have written bullets for
22 me.

23 Q. Mr. Griffin was a direct report?

24 A. Mr. Griffin in 2017 would have been a
25 direct report, yes.

1 Q. Okay. So is there anything other than
2 the absence of statements and the conversation
3 with Commissioner Roisman upon which you base all
4 indications that the staff and these commissioners
5 do not believe XRP is a security?

6 MR. SOLOMON: Objection; asked
7 and answered.

8 A. I don't recall.

9 Q. Okay. The next bullet says "Ripple is
10 seeking from the SEC to proactively make a
11 statement that XRP is not a security."

12 Do you see that?

13 A. Yes.

14 Q. Was that true at that time?

15 A. I -- I don't recall, but I believe it to
16 be true based upon what's written here.

17 Q. And then it references a speaking
18 engagement that the Chair had, a coming speaking
19 engagement in New York. And a statement -- you
20 make a statement -- or the bullet makes a
21 statement about the opportune time for him to make
22 a statement such as "we continue to look carefully
23 at this developing landscape," et cetera.

24 Do you see that?

25 A. I do see that.

1 Q. Okay. Did the Chair make this statement
2 at that public engagement?

3 A. Not that I'm aware of.

4 Q. Okay. Did -- is -- was one of the
5 purposes of this email to [REDACTED] to suggest a
6 way in which to convince Clayton to make the
7 statement?

8 A. Could you repeat the question?

9 Q. Yeah.

10 Was the purpose -- was one of the
11 purposes of this email to sort of see if
12 [REDACTED] could help in outreach to the Chair so
13 that he would make that statement on the public
14 engagement?

15 MR. SOLOMON: Objection to form.

16 Q. Perhaps to Eli or the Secretary of the
17 Treasury, but...

18 MR. SOLOMON: Objection to form.

19 A. I believe so.

20 Q. Okay. Okay. Did -- did anyone at the
21 SEC proactively make a statement that XRP is not a
22 security after this date, as you describe it here?

23 A. Not that I'm aware of.

24 Q. Okay. Why did you want the SEC to
25 make proactively --

1 MR. SOLOMON: A -- a -- a public
2 statement?

3 THE WITNESS: Oh, that's an
4 excellent clarification.

5 MR. SOLOMON: No, I'm asking what
6 the question was.

7 MR. TENREIRO: Well, I said
8 statement.

9 BY MR. TENREIRO:

10 Q. Let's start with public.

11 A. I'm unaware of a public statement.

12 Q. Okay. And private?

13 A. After --

14 Q. I'm talking about after this.

15 A. Sorry. Not of which I'm aware.

16 Q. Okay. All right. Why did Ripple want
17 the Chair to make this statement?

18 A. In making a statement about the status
19 of bitcoin -- at the time that -- I believe at the
20 time that Director Hinman made an affirmative
21 statement about the status of ETH, I believe XRP
22 was the second-most valuable digital asset ahead
23 of ETH.

24 In making this clarification and
25 statement, it was ETH performed better in the

1 markets and became more valuable than XRP. Many
2 people in the XRP community were concerned about
3 the lack of clarity, including myself, and felt
4 that it was -- given the clarity that had been
5 provided to bitcoin and Ether and given that XRP
6 was one of the most important and valuable and
7 liquid digital assets, we felt that it was only a
8 step of responsibility -- to the extent the SEC's
9 mission is around orderly markets, I felt like the
10 SEC should seek to provide that clarity.

11 Q. I -- I -- my question, though, is why
12 did Ripple want the Chair to make the statement?
13 Maybe the answer's in there and I just didn't
14 understand. Why did the -- why would Ripple want
15 the Chair to make the statement?

16 A. Ripple is one stakeholder, and an
17 important stakeholder, in the XRP ecosystem. To
18 the extent that -- that public statements from the
19 SEC had not provided clarity -- and, in fact, some
20 would argue had actually added to confusion in the
21 crypto landscape -- we sought to provide that
22 clarity.

23 Q. Okay. And why did you seek to provide
24 that clarity?

25 A. I think a community's interest in having

1 clarity about the laws in which they operate is
2 useful.

3 Q. For what purpose?

4 A. To follow the law.

5 Q. Okay. Anything else or any other
6 purpose?

7 A. That would be the most important one, I
8 think.

9 Q. And you said "in making this
10 clarification and statement, ETH performed better
11 in the markets."

12 Are you talking about -- what are you
13 talking about that it performed better? Its price
14 went up?

15 A. I -- to be fair, I don't remember
16 exactly. At various times XRP has been by market
17 capitalization the second-most valuable digital
18 asset. I was making an observation that there are
19 three -- at the time there were three that were
20 kind of above the rest of the noise in the crypto
21 market. The SEC had provided clarity about two of
22 those top three and not provided clarity about the
23 third.

24 It's apparent, I believe, that Director
25 Hinman and Chair Clayton wanted to provide that

1 clarity around bitcoin and ETH, presumably,
2 because there wasn't clarity. They made a public
3 statement. They provided that clarity. That
4 helps market participants in those -- those that
5 choose to participate in trading those digital
6 assets, speculating on those digital assets, to
7 provide that clarity.

8 The absence of that clarity around XRP,
9 which at the time was second or third in terms of
10 overall value in liquidity, seemed like it was
11 only in the market's interest, and I would assume
12 the SEC's interest, to provide that clarity.

13 Q. When you say, though, X -- you said in
14 your prior answer, X -- XRP was one of the most
15 important assets.

16 How did you measure that importance?
17 Was it market --

18 A. Liquidity and market cap.

19 Q. Okay. And market cap is measured by the
20 price and the units outstanding?

21 A. That's how I calculate market cap.

22 Q. I understand there's -- we'll probably
23 get to this later. I understand you had some
24 conversations with people about whether the market
25 cap was based on the number of units that had been

1 created or the number of units that were in the
2 market.

3 But setting aside that sort of debate,
4 how do you measure market cap?

5 A. I -- I was making a macro general
6 observation. Regardless of how you measure market
7 cap --

8 Q. Right.

9 A. -- actually, let me just answer your
10 question. How do I measure market cap? Yes, I
11 measure market cap by multiplying price by number
12 of units.

13 Q. Okay.

14 MR. SOLOMON: When you're done
15 with this line of questioning, whenever
16 that is, it probably would be a good time
17 to take a break.

18 MR. TENREIRO: Oh, okay. Yeah.

19 MR. SOLOMON: There's no --
20 whenever you're done.

21 MR. TENREIRO: Just one -- one or
22 two more questions.

23 BY MR. TENREIRO:

24 Q. Okay. So -- so when you were saying
25 that XRP was one of the most important assets, the

1 measure of importance is the market cap or is
2 there any other measure?

3 A. I think my testimony was I -- in my mind
4 there's multiple measures. I think my testimony
5 was liquidity and market cap were two things that
6 make digital assets more prominent than others.

7 Q. And so are you saying that XRP was one
8 of the most liquid digital assets at that time?

9 A. Yes, I believe so.

10 Q. Okay. In the top three?

11 A. I believe so.

12 Q. Okay. And just -- again, I'm trying to
13 understand. When Hinman -- when Director Hinman
14 made statements about ETH, you -- your view was
15 that ETH performed better in the markets and
16 became more valuable than XRP.

17 So are you referring there to the market
18 cap? to the price? What were you referring to
19 there that it became more valuable than XRP?

20 A. Well, I'm probably referring to the same
21 components that I was referencing earlier. It
22 probably became more liquid. It probably became
23 more valuable in price.

24 Q. Okay. And how do you measure liquidity?

25 A. I tend to use CryptoCompare or

1 CoinMarketCap as reporting mechanisms for overall
2 liquidity in the crypto landscape.

3 Q. Does it have -- do those have a page
4 that report liquidity?

5 A. Yes.

6 Q. Okay.

7 A. Actually -- yes.

8 Q. What -- what -- what measure -- what's
9 the -- what's the measure for liquidity that they
10 use?

11 MR. SOLOMON: Are you talking
12 about today?

13 MR. TENREIRO: Sure. Today.

14 A. Dollar volume.

15 Q. Volume is a measure for liquidity?

16 A. Yeah.

17 Q. Okay. That's -- your understanding of
18 liquidity is volume?

19 A. One measure of liquidity is trading
20 volume.

21 Q. Why don't you tell me what your
22 understanding of liquidity in the market means.

23 A. I believe that liquidity in a market
24 from my point of view is -- one of the measures is
25 how much is trading.

1 Q. And you don't understand that to be
2 volume?

3 A. I think I just said that. I apologize.
4 Yes, I understand that to be volume.

5 Q. So liquidity and volume are the same?

6 MR. SOLOMON: Objection.

7 A. I think my testimony was I think one
8 important input into liquidity is volume.

9 Q. Okay. Do you understand liquidity to be
10 the existence of willing buyers and the existence
11 of willing sellers?

12 MR. SOLOMON: Objection to form.

13 A. I think that's a fair description.

14 Q. Okay. Where did you derive your
15 understanding of what liquidity in the market
16 means?

17 A. I don't recall.

18 Q. Did you have experience in financial
19 markets before you joined Ripple?

20 A. I mean, frankly, it depends how you
21 define financial markets, I guess.

22 Q. What --

23 A. I was an active trader in public
24 securities. I had spent time at venture capital
25 firms. I received my MBA from Harvard. So I -- I

1 felt educated about generally how markets work and
2 how to think about liquidity.

3 Q. Okay.

4 MR. TENREIRO: Why don't we take
5 a break.

6 THE VIDEOGRAPHER: Okay. Going
7 off the record at 9:51.

8 (Whereupon, a recess is taken.)

9 THE VIDEOGRAPHER: Okay. Back on
10 the record, 10:10.

11 Go ahead.

12 MR. TENREIRO: Okay. Thank you.

13 BY MR. TENREIRO:

14 Q. Mr. Garlinghouse, who is [REDACTED]?

15 A. [REDACTED] in the context of Ripple is
16 a -- I guess simplistically defined as a legal
17 advisor.

18 Q. Okay. Outside of the context of Ripple,
19 who is he?

20 A. I certainly don't know that I can do a
21 robust job of biography, but I believe he's been a
22 practicing criminal attorney and teaches law at
23 [REDACTED] in some construct. He also, I
24 think, is a legal advisor employed by [REDACTED]
25 [REDACTED]

1 Q. Okay. And so in the context of Ripple,
2 you said he's a simplistically defined legal
3 advisor?

4 A. I think that's a fair characterization,
5 yes.

6 Q. When was he hired as a legal advisor?

7 A. Sometime in the summer of 2018.

8 Q. Who decided to hire him?

9 A. I'd say Chris Larsen decided to hire
10 him.

11 Q. For what purpose was he hired?

12 MR. CERESNEY: I'm going to
13 instruct the witness to answer at a high
14 level and not to get into any details.

15 A. To be a legal advisor.

16 Q. Was he advising with -- was he supposed
17 to advise with respect to the federal securities
18 laws?

19 A. I would say he was advising on all
20 matters associated with reg -- the SEC's -- yes, I
21 guess. Yes, I should say. Yes.

22 Q. The SEC's what?

23 A. I don't know what I was going to say so
24 I stopped.

25 Q. That's okay.

1 So he was advising on all matters
2 related to the SEC?

3 A. And others.

4 Q. What are the others?

5 A. I think that would definitely encroach
6 on attorney-client privilege.

7 Q. No, I'm not asking you to -- I'm asking
8 you, was he advising you with respect to labor
9 law?

10 A. He may have. I don't recall
11 specifically.

12 Q. Okay. What other subject areas of law
13 was he a legal advisor for?

14 A. I --

15 MR. CERESNEY: Hold on. Hold on.
16 You know, I want to be sensitive here. He
17 was a legal advisor to the company. He
18 was retained as a lawyer. He's already
19 said he's -- he's advised the company in
20 connection with the SEC.

21 What else is relevant to this
22 proceeding?

23 MR. TENREIRO: I don't think
24 there's a relevance issue here. I'm just
25 asking what he was retained --

1 BY MR. TENREIRO:

2 Q. Was there a retention letter?

3 A. I don't recall.

4 Q. Okay. Did -- so Mr. Larsen made the
5 decision to hire him. Did you have to approve the
6 decision or...?

7 A. I implemented the decision.

8 Q. Okay. How did you implement it?

9 A. He was compensated, and by virtue of
10 being compensated, he -- his engagement with the
11 company needed to be implemented and to some
12 degree integrated into our operational -- you
13 know, he hears legal matters of which we would
14 seek his counsel.

15 Q. Okay. So you don't recall if there was
16 a retention letter but there was some
17 compensation?

18 A. I would --

19 MR. SOLOMON: Objection to form.

20 A. I believe there's likely some sort of
21 engagement letter with Mr. [REDACTED] I don't recall
22 specifically.

23 Q. Okay. Let's take a look at Exhibit 53,
24 please.

25 (Whereupon, exhibit is received

1 and marked Garlinghouse Deposition
2 Exhibit 53 for identification.)

3 BY MR. TENREIRO:

4 Q. While they pull it up, was he on
5 Ripple's board at any time?

6 A. Board of directors?

7 Q. Uh-huh.

8 A. No.

9 Q. And do you know -- do you know who
10 Mr. [REDACTED] is? [REDACTED]

11 MR. CERESNEY: Do we have --

12 MR. TENREIRO: One second.

13 A. I do not.

14 Q. Okay. That's fine.

15 All right. Here we go, 53. And this is
16 a multipage email with Bates 971415, RPLI. Most
17 of it is redacted. The front page is what I'm
18 going to ask you about.

19 A. Okay.

20 Q. This appears to be an email from you on
21 December 13, 2018, to [REDACTED] and Monica
22 Long. Subject "Re: Clayton."

23 Do you see that?

24 A. Yes.

25 Q. Who is [REDACTED]?

1 A. [REDACTED] --

2 MR. SOLOMON: Did you read the
3 email?

4 THE WITNESS: I have not read the
5 email.

6 Q. Oh. Read it, please.

7 THE WITNESS: I thought I --

8 MR. SOLOMON: Sorry. Sorry.
9 Yeah. Just read it. Everything he hands
10 to you, just read it first.

11 THE WITNESS: Okay.

12 A. Okay. [REDACTED] is currently SVP
13 of communications and people at Ripple.

14 Q. And what about around the time of the
15 email, December 18 -- December 2018?

16 A. I don't know when she became a full-time
17 employee top of mind. Prior to Ripple, she was a
18 principal at a public relations firm -- a public
19 relations firm called [REDACTED] and Ripple used [REDACTED]
20 as our outside PR firm.

21 Q. Okay. And when did you meet her?

22 A. Oh, my gosh. I met [REDACTED] in 2004
23 probably.

24 Q. Under what circumstances?

25 A. We both worked at [REDACTED]

1 Q. Okay. Here she refers to [REDACTED]

2 Do you see that?

3 A. I do see that.

4 Q. And what is [REDACTED]

5 A. I do not know.

6 Q. The [REDACTED] website?

7 A. I have no idea.

8 Q. Okay. It says "An update here on
9 outreach and plan of attack. I've reached out to
10 both [REDACTED] (reporter and his editor) to correct the
11 below. They are in Hong Kong so we're also
12 tracking down phone numbers so I can follow up
13 with a phone call."

14 Do you see all that?

15 A. Yes.

16 Q. And then there's a reference to [REDACTED]
17 and there's a request to correct some -- something
18 or -- as well.

19 Do you see all that?

20 A. Yes.

21 Q. What is she trying to correct?

22 A. I don't recall.

23 Q. Okay. The subject of the email is "Re:
24 Clayton."

25 Do you see that?

1 A. Yes.

2 Q. Okay. Was there a -- was there a point
3 in time where Ripple became aware that there might
4 be a publication claiming that the SEC had
5 determined that XRP was a security and sought
6 to -- and sought to correct that publication?

7 A. I don't recall.

8 Q. Okay. It says "We're also drafting a
9 suggested tweet for Brad to post."

10 Do you see that?

11 A. I do see that.

12 Q. Okay. Did you make a tweet after the
13 draft reflected in this email?

14 A. I don't recall.

15 Q. Okay. And did Ms. [REDACTED] --

16 Ms. [REDACTED] frequently draft tweets for you to
17 make?

18 A. Depends how you define "frequently."
19 And I don't recall in 2018 how frequently that may
20 have happened.

21 Q. Did others at Ripple draft tweets for
22 you to make while you were CEO of Ripple?

23 A. While I was CEO?

24 Q. Yes.

25 A. Yes.

1 Q. And Monica Long was copied. What was
2 her role at this time?

3 A. In 2018 I believe she was SVP -- or VP
4 of marketing.

5 Q. Okay. Did she draft tweets for you to
6 make?

7 THE REPORTER: I'm sorry?

8 Q. Did she draft tweets for you to make
9 while you were CEO?

10 A. Not that I recall.

11 Q. So to the extent others at Ripple
12 drafted tweets, who would the others be?

13 Ms. [REDACTED] Who else?

14 A. Under what period of time?

15 Q. While you were CEO.

16 A. So during my tenure as CEO, [REDACTED]
17 [REDACTED] would be on that list. [REDACTED] would
18 be on that list. Other people on the Ripple
19 communications team would have participated as
20 well.

21 Q. Did you typically, just generally
22 typically, when they drafted a tweet, did you --
23 did you actually tweet those tweets?

24 A. Sometimes.

25 Q. Okay. Were there times when you did

1 not?

2 A. Yes.

3 Q. Okay. What was the result of her
4 outreach to [REDACTED] and the reporter, the editor and
5 the chief tech correspondent for [REDACTED]?

6 MR. SOLOMON: Objection to form.

7 A. I don't know.

8 Q. Okay. We can set that aside, although
9 we should definitely keep the exhibits somewhere
10 in case we need to go back to them, but I'm done
11 with them now.

12 So, Mr. Garlinghouse, other than this
13 litigation, are you a party to any action
14 currently?

15 MR. SOLOMON: Do you understand
16 the question?

17 A. Yeah. Could you --

18 Q. A party in a lawsuit.

19 A. I believe, yes.

20 Q. What lawsuit or lawsuits?

21 A. Is -- is that a question of me
22 individually or me as CEO of Ripple?

23 Q. You in -- well, you, Mr. Garlinghouse.

24 A. Right. The distinction I'm making is
25 you're -- the SEC is suing Ripple. I'm the CEO of

1 Ripple. You're also suing me personally. I
2 believe the answer is yes.

3 Q. What lawsuit or lawsuits?

4 A. I -- I would need to get clarity from
5 counsel to answer that with certainty.

6 Q. Let's not -- let -- we'll use -- is
7 there a pending class action involving Ripple?

8 A. Yes.

9 Q. Okay. Are you named in that class
10 action?

11 A. I believe, yes.

12 Q. Okay. And was the first class -- there
13 was a series of class actions filed, correct?

14 MR. SOLOMON: Objection to form.

15 A. I believe that's correct.

16 Q. And consolidated into one?

17 MR. SOLOMON: Objection to form.

18 A. I believe that's correct.

19 Q. Okay. And that -- I'll just refer to it
20 as the class action pending in California, is that
21 right?

22 MR. SOLOMON: Objection, form.

23 A. I don't know.

24 Q. Okay. And the class action was filed
25 when, the first one?

1 A. I don't recall.

2 Q. Was there an allegation in the class
3 action that you committed fraud?

4 A. I don't recall.

5 Q. Okay. And the class action is filed by
6 a group of XRP holders, is that right?

7 MR. SOLOMON: Objection to form.

8 A. My vague recollection is it was filed by
9 one XRP holder to begin with and I don't know if
10 others have joined. I don't understand the
11 nuances of how class actions work.

12 Q. Do you have counsel that represents
13 Ripple with respect to that class action?

14 A. Yes.

15 Q. What's the law firm?

16 A. I don't know.

17 Q. Okay. How often do you meet with them
18 about that lawsuit?

19 A. I am not aware that I've -- I don't
20 recall.

21 Q. Okay. Are you, Mr. Garlinghouse,
22 represented by counsel in connection with that
23 class action?

24 A. Not to my knowledge.

25 Q. Okay. The class action is pending,

1 right?

2 A. As far as I'm aware.

3 Q. Okay. And I don't want to get into
4 advice, the substance of advice, but you've
5 received advice about that lawsuit, correct?

6 A. I suppose, yes.

7 Q. Ripple has received advice as well?

8 A. Yes.

9 Q. Okay. And that class action alleges
10 that Ripple engaged in unregistered offers and
11 sales of securities, correct?

12 MR. SOLOMON: Objection to form.

13 A. I don't know.

14 Q. Okay. And you have never moved to
15 dismiss that claim in the class action, correct?

16 MR. SOLOMON: Objection; form.

17 A. I don't know.

18 Q. Okay. Did Ripple continue to sell XRP
19 after that lawsuit was filed?

20 A. I -- I believe, yes. I don't know
21 exactly when that was filed, so if you could help
22 me with specifics, I would -- could be more
23 precise.

24 Q. I don't have the exact date, but my
25 understanding is the first one was filed on or

1 around April of 2018. And your counsel probably
2 remembers better than I do.

3 A. Then, yes.

4 Q. Okay. And did you continue to sell XRP
5 after that lawsuit was filed?

6 A. Yes.

7 Q. Did you rely on legal advice to do that?

8 A. I don't recall.

9 Q. Did Ripple rely on legal advice to sell
10 XRP after the lawsuit was filed?

11 A. I don't recall.

12 Q. Okay. Is it fair -- well, did you learn
13 of -- how did you learn of the class action
14 lawsuit?

15 A. I don't recall.

16 MR. SOLOMON: Objection.

17 Q. Okay. Do you recall learning of it
18 around the time it was filed?

19 MR. SOLOMON: Objection; form.

20 A. Or did you come to find out at some
21 point that it had been pending for months and you
22 just found out about it?

23 MR. SOLOMON: Objection; form.

24 A. I doubt that it's the latter and very
25 likely the former.

1 Q. Okay. When did you first hire
2 Mr. Ceresney?

3 A. Around the summer of 2018.

4 Q. Okay. Earlier this morning we talked
5 about how there was an SEC letter that either you
6 received or Ms. [REDACTED] or whomever in the late
7 spring of 2018, is that correct?

8 A. I believe that was my testimony.

9 Q. Okay. Is that the first time that you
10 heard about the SEC's, you know -- I call it an
11 investigation; I understand you have your own view
12 of it -- but the SEC's reach out to Ripple? Is
13 that the first time you learned of it?

14 A. Yes.

15 Q. Okay. And did you become aware that the
16 SEC had asked Ripple to preserve documents in
17 connection with the inquiry?

18 A. Yes.

19 Q. Okay. Did you follow these directives?

20 A. Yes.

21 Q. Okay. Did Ripple have a document
22 retention policy at any point in time since --
23 well, since you've been working there?

24 A. I believe so.

25 Q. And what is the document retention

1 policy?

2 A. I don't recall.

3 Q. Who drafted it?

4 A. I don't know.

5 MR. SOLOMON: Separate and apart
6 from any document retention policy in
7 connection with a pending litigation
8 you're asking him?

9 MR. TENREIRO: That's right.

10 MR. SOLOMON: Okay.

11 MR. TENREIRO: I'm going to
12 get -- Matt's in my head today and he's
13 right every time. I'm going to -- I'm
14 going to ask about that in a second.

15 MR. SOLOMON: Okay.

16 BY MR. TENREIRO:

17 Q. So just generally, document -- corporate
18 document retention policy, your testimony is you
19 believe there is -- there's been one at some point
20 in time; don't recall who drafted it.

21 Have you read it?

22 A. I expect I have.

23 Q. And when?

24 A. I don't recall.

25 Q. Where is it stored? Maybe I should ask,

1 is it a written policy?

2 A. I believe it's a written policy and I
3 would expect that it's in the employee handbook.

4 Q. And it was given to employees -- was the
5 employee handbook handed out to employees when
6 they begin to work the company?

7 A. Well, I guess I should clarify. When we
8 say it's written, I'm not sure that we have ever
9 printed the employee handbook. I think when
10 you're -- when you join the company, I believe we
11 share various things like code of conduct; like a
12 handbook that I expect would likely, to your
13 question, include a document retention policy.

14 Q. Okay. But sitting here today, you
15 just -- you don't -- you don't know who wrote it,
16 for example?

17 A. That's correct.

18 Q. Okay. Do you have any specific
19 recollection of the retention policy?

20 A. No.

21 Q. Do you know generally what the retention
22 policy says?

23 A. No.

24 Q. Okay. Now, in connection with the
25 lawsuit, the -- the class action lawsuit, was

1 there a document retention policy implemented by
2 the company?

3 A. I believe so.

4 Q. Okay. And what did it provide?

5 A. I don't know specifically.

6 Q. Is that in some sort of -- is that
7 documented, maybe not printed, but documented in
8 some form of, you know, electronic record?

9 A. I believe so.

10 Q. And where is that record stored?

11 A. I believe it's stored somewhere in
12 Ripple's data infrastructure.

13 Q. Ripple's data infrastructure? What is
14 Ripple's data infrastructure?

15 MR. SOLOMON: Don't guess. If
16 you know where it's stored, tell him. If
17 you don't know where it's stored, say you
18 don't know.

19 A. I don't know.

20 MR. SOLOMON: I don't want to
21 waste time with these questions if you
22 don't know. If you do, say so.

23 A. The -- the distinction I was making in
24 describing Ripple's data infrastructure, my
25 recollection is that when Ripple sends a document

1 hold -- when Ripple's legal team sends a document
2 hold, I believe it's in a Google Doc form and it's
3 collected as a Google form.

4 So when I describe Ripple's data
5 infrastructure, I'm being inclusive of
6 infrastructure that we may not -- it may not be
7 our servers. I would include Ripple -- sorry,
8 Google's data infrastructure in that context for
9 us to have some license. I don't know the
10 relationship there, but I believe that the data
11 you are asking about would be stored on a Google
12 Doc somewhere.

13 Q. Maybe Google Drive that the company
14 accesses, for example?

15 A. That's my best guess. I don't know.

16 Q. Okay. Is it -- just -- your best
17 recollection is that it might be in some sort of
18 Google Doc, a document hold that the -- that the
19 legal team sends.

20 Do you know why it's a Google Doc? Are
21 people able to sort of check that they read it or
22 is there any other reason?

23 MR. SOLOMON: Objection; form.

24 Q. Is there any reason, sorry, that it's a
25 Google Doc that you know of?

1 MR. SOLOMON: Objection; form.

2 A. I don't know.

3 Q. Okay. Did -- and let me just go back.

4 Did the company implement a document
5 retention policy after -- or with respect to the
6 class action?

7 A. Sorry. Could you repeat the question,
8 please?

9 Q. Yes.

10 Did the company implement a document
11 retention policy with respect to the class action?

12 A. You mean a document hold?

13 Q. A document hold.

14 A. Thank you. Yes.

15 Q. What did it provide?

16 A. I don't recall.

17 Q. Did you -- but you read the whole thing?

18 A. I believe I received that and I believe
19 I would have reviewed it, yes.

20 Q. Did you follow it?

21 A. Yes.

22 Q. Okay. And did the document -- did the
23 company implement a document hold policy with
24 respect to the SEC's letter?

25 A. Yes.

1 Q. Okay. And what did that provide?

2 A. I don't recall.

3 Q. Okay. Who -- do you know who drafted
4 the hold?

5 A. I do not.

6 Q. And where is that hold -- where is it?
7 Is that also -- where is the document?

8 A. I don't know.

9 Q. Okay. Did you abide by that hold?

10 A. Yes.

11 Q. Okay. You used a messaging app called
12 Signal, right?

13 A. Yes. I use, current tense, as well.

14 Q. When did you start using it?

15 A. I don't recall when I was first
16 introduced to Signal. I -- I expect it predated
17 my experience at Ripple, but I used it while at
18 Ripple, also.

19 Q. Ripple didn't give you, like, a company
20 phone, right?

21 A. Not when I joined.

22 Q. Do you have one now?

23 A. I guess you could describe it as a
24 Ripple phone, yes.

25 Q. What do you mean, "you could describe it

1 as a Ripple phone"?

2 A. It's actually provided by a third-party
3 security firm that Ripple contracts to improve the
4 security posture that Ripple has on the company
5 from bad actors.

6 Q. Do you have a separate personal phone
7 other than that phone?

8 A. No. My -- my hesitation there is I do
9 have more than one phone. I use my Ripple phone
10 which is provided by a third-party security firm
11 as my primary phone.

12 Q. You have another phone device?

13 A. I have more than one, yes.

14 Q. How many?

15 A. I would say I have three phones and a
16 Google Voice number. So maybe four phone numbers.

17 Q. Phone -- four phone numbers, but three
18 devices?

19 A. Yes.

20 Q. Are they all Apple?

21 A. Yes.

22 Q. Okay. And is Signal installed on all
23 three of them?

24 A. I don't know.

25 Q. Is Signal installed on the phone you

1 have with you now?

2 A. I don't have a phone with me right now.

3 Q. Okay. Is Signal installed on the phone
4 that you're going to go to when you leave here
5 today?

6 A. Yes.

7 Q. Okay. And which one is that phone? Is
8 that the Ripple one, the one that Ripple --

9 A. Oh, yeah. Yes. My primary phone that I
10 consider my, you know, 99 percent use case phone
11 is a -- my personal phone, my Ripple phone, it's
12 provided by a third-party security firm for
13 various security management.

14 Q. And that -- and Ripple pays for that
15 phone?

16 A. Yes.

17 Q. Okay. So my questions are going to
18 focus on that phone for the moment.

19 When did you install Signal on that --
20 on that phone?

21 A. Well, to be precise in answering the
22 question, I got a new phone within the last 60
23 days and I reinstalled all of the apps that I'd
24 had. And so --

25 Q. When did you first install the app in

1 your Ripple phone? I understand that it, you
2 know, moves along when you get a new phone.

3 A. Yeah. Well, my -- you're asking
4 specific to my Ripple phone. I would have
5 installed Signal when I first got the Ripple
6 phone.

7 Q. Which was when?

8 A. Probably the summer of 2017.

9 Q. Okay. Why did you install it?

10 A. I was using it prior to that and I was
11 using -- I was getting a new phone and I was
12 switching phone numbers at the time. And so I was
13 kind of re-establishing the same applications I
14 had on my old phone, old phone number, to a new
15 phone.

16 Q. When did you first install -- install
17 Signal on your old phone?

18 A. I don't recall.

19 Q. For what purpose did you install Signal?

20 A. To communicate with people.

21 Q. Any other purpose? Any other reason?

22 Sorry. Any other reason that you installed it?

23 Did you like that app better than others, you
24 know?

25 A. You know, Signal particularly -- you

1 know, I was using it before I joined Ripple, but I
2 probably started using it more at Ripple. I think
3 a lot of people in the crypto industry use Signal.
4 It's, I think, viewed -- fairly or unfairly -- as
5 more secure and more private.

6 Q. What about Telegram? Why not Telegram?
7 You know, what's the difference?

8 A. I've never used Telegram to my knowledge
9 so I don't have a comparison.

10 Q. All right. Did you clear your use of
11 Signal with any counsel?

12 MR. SOLOMON: Objection; form.

13 A. My use of Signal predates my employment
14 at Ripple and so I doubt that I would have reached
15 out to personal counsel to use a messaging app.

16 Q. You understand that messages on Signal
17 are ephemeral?

18 A. I'm aware that messages on Signal can be
19 set to disappear.

20 Q. Okay. And when did you become aware of
21 that? I'm sorry, who told you about the existence
22 of the app or how did you find out?

23 A. I -- I don't recall.

24 Q. Okay. When did you become aware that
25 messages on Signal can be set to disappear?

1 A. I expect when I first started using it.

2 Q. Okay. And did you set your messages to
3 disappear when you first started using it?

4 A. Yes. I -- I've always taken the point
5 of view that I'm going to set it on the longest
6 time period of expiration so that I don't forget
7 things. But I -- so I generally set it at the
8 one-week interval.

9 Q. That's the longest period of expiration?

10 A. It was, I -- I think, until very
11 recently, it was the longest period of expiration.

12 Q. Okay. And what is it now?

13 A. I think it may now be four weeks.

14 Q. And is it fair to say that you can have
15 on Signal conversations only with other Signal
16 users?

17 A. I believe that's correct.

18 Q. And can you have group chats on Signal?

19 A. Yes.

20 Q. Okay. And is it correct -- is my
21 understanding correct that if I have a
22 conversation with you on Signal and I set it to
23 auto delete in one day and you set it in one week,
24 it deletes in one day?

25 A. That's correct.

1 Q. Okay. But --

2 A. But that's my understanding.

3 Q. Right.

4 You're saying that your recollection is
5 for your setting it was typically one -- a
6 one-week setting, is that right?

7 A. Correct. As you described, either party
8 can set the expiration of a message. You can't
9 override the other person. It goes to whatever is
10 set for the -- whoever sets the shortest duration.

11 Q. Shorter.

12 A. It uses that setting.

13 Q. And do you have -- how many Signal
14 accounts do you have?

15 A. I'm not even sure I understand the
16 question.

17 Q. Well, do you have more than one login?

18 A. It's my understanding that Signal -- in
19 order to authenticate on Signal, it's by a phone
20 number. I use one -- I mean, is your question do
21 I use Signal on my other phones? I think you
22 answered that -- or asked that. I don't use
23 Signal on my other phones. To my knowledge, it's
24 not installed there.

25 Q. Okay. So just one account, one phone,

1 that you associate with Signal?

2 A. Yes.

3 Q. Okay. What setting -- what auto delete
4 setting do you have on the app now?

5 A. I -- I prob -- I set one week typically.

6 Q. Okay. And did you -- have you at any
7 time discussed, you know, your employment --
8 things related to your employment at Ripple on
9 Signal?

10 A. Yes.

11 Q. Have you at any time discussed XRP on
12 Signal?

13 A. I suspect at some point I have, yes.

14 Q. Who do you communicate with on Signal?

15 A. I'd say about 95 percent of my activity
16 on Ripple is either communicating with my
17 executive assistant or communicating with the
18 security team within my work.

19 MR. SOLOMON: You said "on
20 Ripple."

21 THE WITNESS: Oh, sorry.

22 MR. SOLOMON: No, and I didn't
23 mean to scare you. I just want to make
24 sure you're answering his question.

25 MR. TENREIRO: Yes, that was very

1 confusing to me as well.

2 BY MR. TENREIRO:

3 Q. Let me -- let me -- so I didn't ask --
4 ask the best question.

5 So on Signal -- let's -- let's take it
6 step by step.

7 Do you talk to friends and family
8 members on Signal?

9 A. Yes.

10 Q. Okay. Set those aside.

11 Do you talk to coworkers on Signal?

12 A. Yes.

13 Q. Okay. Now back to the friends and
14 family members.

15 Do you discuss Ripple or XRP with them?
16 Have you ever discussed Ripple or XRP with them on
17 Signal?

18 A. I suspect at some point I have, yes.

19 Q. Have you ever discussed the --
20 conversations with the SEC on Signal? Still
21 focused on family and friends.

22 A. Not to my knowledge.

23 Q. Okay. Now coworkers. What coworkers do
24 you chat with on Signal about anything?

25 A. So when I misspoke a moment ago, what I

1 was describing is about 95-plus percent of my
2 Signal activity consists of communication with
3 either my executive assistant or the security team
4 that -- with whom I work.

5 Q. Is the security team, generally
6 speaking, related to safeguarding your XRP or
7 Ripple's XRP or something else?

8 A. Physical security, kind of all aspects
9 of security associated with my position as CEO of
10 Ripple.

11 Q. Okay. And the not 95-plus percent of
12 communications, who are they with?

13 A. I mean, I don't have a list available
14 off the top of my head. You know, certainly a lot
15 of crypto people use Signal. So if I'm
16 communicating with other members of the crypto
17 community at other companies, a lot of those
18 messages would be via Signal.

19 Q. Right. So I was going to get to that
20 third bucket.

21 A. Okay.

22 Q. But right now I'm focused on coworkers
23 at Ripple. So you said that for the 95 percent,
24 executive assistant or security team, but I'm
25 focused on that -- the not 95 percent.

1 What are -- who are those conversations
2 with that you've had on Signal?

3 MR. SOLOMON: Who today? Who
4 during the time?

5 MR. TENREIRO: Who during the
6 time period I mean.

7 MR. SOLOMON: The entire time
8 period? Okay. Generally what you
9 remember during the entire time period.

10 BY MR. TENREIRO:

11 Q. Who at Ripple have you communicated on
12 Signal? You've told me your executive assistant
13 and executive team.

14 A. I've communicated with Chris Larsen on
15 Signal. I've communicated with Asheesh Birla on
16 Signal. I've communicated with Monica Long on
17 Signal. I don't recall communicating with Patrick
18 Griffin, but I probably have communicated with
19 Patrick Griffin on Signal. I don't recall
20 communicating with David Schwartz on Signal. You
21 know, I mean, as we go through -- I've
22 communicated with [REDACTED] on Signal.
23 I've communicated with [REDACTED] on Signal.

24 In general, I think many employees at
25 Ripple know that I use Signal and they know that

1 I'm quite responsive. And so to the extent they
2 are trying to reach me about something, they know
3 that Signal's a good way for me to be responsible
4 in that regard.

5 Q. And how do they know that?

6 A. Experience.

7 Q. So, like, did you ever tell anyone that
8 you might be more responsive if they reach out to
9 you on Signal and then the word of mouth got out
10 or --

11 A. I don't recall specifically, but I
12 think -- I don't hide the fact that I use Signal
13 from the team. And so people know that I use it
14 and they -- you know, trial and error. They -- if
15 they send me a Slack message, sometimes I may not
16 reply for days. If they send me a Signal message,
17 I'm more likely to be responsive.

18 Q. Did you ever -- of these people you
19 recall communicating with, the communications were
20 messages, right, not phone calls?

21 A. Both phone calls and messages.

22 Q. Can you have phone calls using the
23 Signal app?

24 A. Yes.

25 Q. Sort of like WhatsApp, you can have a

1 message -- are you familiar with the app WhatsApp?

2 A. I am.

3 Q. Okay. With WhatsApp you can call
4 someone or send them a message, correct?

5 A. I believe so.

6 Q. So that's the same on Signal?

7 A. Yes.

8 Q. Okay. Are the records of the phone
9 calls also -- do they also auto delete on Signal?

10 A. I don't believe so. I don't know to be
11 honest.

12 Q. Like the call log? You know what I
13 mean?

14 A. Yeah, I -- I believe the call log is
15 maintained.

16 Q. Okay. But when you -- just to be clear,
17 you -- you said you communicated with Larsen,
18 Birla, Long, Griffin -- actually, you said I don't
19 recall Griffin, but probably.

20 To the extent you communicated with
21 those people, it was on Signal, both phone calls
22 and messages?

23 MR. SOLOMON: Objection; form.

24 A. I believe at one point or another I may
25 have had phone calls with all of those people.

1 And to make sure I'm being clear, I don't view
2 that list as exhaustive --

3 Q. Sure.

4 A. -- because I don't have a list of all
5 the Ripple employees. But --

6 Q. Absolutely.

7 A. Okay.

8 Q. I'm just trying to make sure that it was
9 messages and phone calls that you recall.

10 A. Yes.

11 Q. And did you discuss -- in these, you
12 know, conversations, did you discuss, for
13 example -- did you discuss Ripple business?

14 A. Yes. At some point I'm sure with all of
15 those people I would have discussed Ripple
16 business.

17 Q. And what about XRP?

18 A. During some period of time, yes.

19 Q. Okay. What about conversations with the
20 SEC?

21 A. I didn't have any conversations with the
22 SEC via Signal.

23 Q. Did you discuss with those people
24 conversations that the company was having with the
25 SEC?

1 A. I don't recall.

2 Q. Okay. What about -- so now we've talked
3 friends and family, coworkers. Now other parties,
4 third parties.

5 Did you discuss -- did you have
6 communications on Signal with GSR?

7 A. Yes.

8 Q. Go ahead.

9 A. One particular person at GSR. To my
10 knowledge, I only communicated with [REDACTED]

11 Q. Uh-huh.

12 Before I get to [REDACTED] did you ask
13 any of the Ripple employees to communicate with
14 you via Signal? Did you affirmatively ask them to
15 do that?

16 A. I -- I don't recall specifically. I'm
17 sure that there's times when I -- people are aware
18 that I respond to -- I think people know that I
19 communicate regularly with my assistant and the
20 securities team and I'm in communication with them
21 frequently. And so I think they know that. And I
22 certainly expect at some point I've said, Hey, you
23 know, send me a message on Signal.

24 Q. I see.

25 Did you -- what about with Mr. Larsen?

1 Did you ask -- did you suggest to him that he
2 install the app or did he have it before you?

3 A. I don't recall.

4 Q. Okay. Okay. Now back to third parties.

5 So you communicated -- it seems like you
6 remember communicating with Mr. [REDACTED] about -- on --
7 on Signal, correct?

8 A. Yes.

9 Q. And generally what were those
10 communications about?

11 A. GSR -- I -- I used GSR to sell some XRP.
12 We would share via Signal wallet information to
13 securely -- make sure that various transfers were
14 done securely.

15 Q. So you discussed sales of XRP with
16 Mr. [REDACTED]?

17 A. No. I don't recall speaking of sales.
18 I recall speaking of the -- the logistics of
19 administering movement of XRP through Signal.

20 Q. Logistics of sales? The logistics of
21 administering some of your sales?

22 A. Sure. Yes.

23 Q. Okay. What other third parties have you
24 communicated with on Signal about Ripple or XRP?

25 A. I -- I -- I don't have an exhaustive

1 list. Certainly around the time I started using
2 Signal more, which was kind of 2017, there was a
3 group of -- a group of Signal -- as you described,
4 a group chat, effectively, of various leaders in
5 the crypto industry that had a -- a group chat
6 sharing various best practices around securities.

7 Q. Okay. And what about members of the XRP
8 Army? Have you communicated with them on Signal?

9 A. No. I mean, the XRP Army is an
10 amorphous nonspecific. Like, I don't know who is
11 -- who's included on that list. I didn't really
12 count.

13 Q. Secretly being part of it.

14 To your knowledge, have you been -- you
15 know, communicated -- have you communicated with
16 members of the XRP Army on Signal?

17 A. Again, I don't know how to define the
18 XRP Army and so...

19 Q. Fine.

20 Have you communicated with holders of
21 XRP on Signal?

22 A. Yes.

23 Q. Third parties. Third parties. I know
24 employees of Ripple have XRP.

25 A. I mean, I'm almost certain the answer to

1 that is yes.

2 Q. Okay. And why are you almost certain?

3 A. Well, as I described, there's a group
4 chat of other leaders in the XRP -- excuse me, in
5 the crypto community with whom I -- there's a
6 group chat around security. I'm certain that some
7 of them own XRP. I believe some of them own XRP.
8 So I'd expect the answer is yes, as I said.

9 Q. I was just --

10 A. I mean, I think there's 15-ish people on
11 that group chat. I'd have to go through it and
12 look at who all's on there.

13 Q. Just at top of -- top of mind. You
14 know, who's on there that you think --

15 A. [REDACTED]

16 Q. Anyone else?

17 A. My -- my connective -- I think the --
18 the CEOs of other exchanges are on there. I --
19 I -- I don't recall who all's on there.

20 Q. Okay. Other than this group chat with
21 leaders of the crypto industry, any other holders
22 of XRP you have communicated with on Signal?

23 A. That aren't Ripple employees?

24 Q. That's right.

25 A. I think [REDACTED] owns some XRP.

1 Q. Okay. Others?

2 A. I -- I -- I don't have a recollection
3 without the benefit of -- if I went through the
4 list with whom I've communicated on Signal,
5 perhaps I could come up with some others.

6 Q. And where's that list?

7 A. On the Signal app.

8 Q. So the Signal app has a list of who you
9 communicated with but not the messages?

10 A. Correct. I mean, sim -- using WhatsApp,
11 it sounds like you're familiar with, you know, you
12 see with whom you've communicated. And so that
13 would refresh my memory.

14 Q. By looking at the list?

15 A. Correct.

16 Q. But the messages won't be there?

17 A. That depends.

18 Q. Well, messages beyond the week or four
19 weeks or whatever?

20 MR. SOLOMON: Objection; form.

21 A. I mean, there's some messages on there.
22 I mean, some people don't set an expiration at all
23 and so the messages would still be there.

24 Q. Well, I'm talking about your messages.
25 Have you always had the expiration of a week or

1 maybe four weeks more recently?

2 MR. SOLOMON: Objection; form.

3 A. I have always intended to, you know, in
4 the interests of data security, data privacy, to
5 use Signal with that feature. I'm certain there
6 are times when I have not done that.

7 Q. Okay.

8 MR. SOLOMON: You said you
9 started using it more in 2017. You might
10 want to explain to the SEC the
11 circumstances around that. It might be
12 helpful.

13 MR. TENREIRO: Yeah. I think I'm
14 familiar, but go ahead.

15 MR. SOLOMON: Yeah, I'm sorry.
16 It's their question, but you had mentioned
17 it.

18 A. In the late spring/early summer of 2017,
19 my phone was compromised by hackers and a lot of
20 my personal data was accessed, including
21 financial. You know, lots of money was stolen.
22 And after that I took and prioritized uses of --
23 of Signal more highly in the interest of data
24 protection such that if my phone is compromised,
25 my phone is stolen, I have better protection of --

1 or I felt that there would be better protection of
2 my data.

3 Q. Okay. And with respect to the
4 litigation hold note and documents or -- or
5 policies that Ripple had with respect to class
6 action and the communications with the SEC, what
7 steps, if any, did you take to ensure that Signal
8 messages were preserved for those hold notices?

9 MR. SOLOMON: Objection to form.

10 A. I generally follow the same practices I
11 had been practicing. I continued to make phone
12 calls. I continued to write emails. I continued
13 to use Signal. And so I'd say my communication
14 practices didn't materially change.

15 Q. Did you seek -- without getting into
16 substance, did you seek the advice of any counsel
17 with respect to using Signal after you got these
18 hold notices?

19 A. No.

20 Q. Okay. And without getting into the
21 substance, did you receive any advice from any
22 counsel with respect to using Signal after the
23 hold notices?

24 A. Not that I recall.

25 MR. TENREIRO: Let's look at

1 Exhibit 106, please.

2 (Whereupon, exhibit is received
3 and marked Garlinghouse Deposition
4 Exhibit 106 for identification.)

5 BY MR. TENREIRO:

6 Q. While Mark gets the exhibit, did you
7 ever use the desktop version of Signal?

8 A. Yes.

9 Q. Okay. Do you have it installed on your
10 computer now?

11 A. I do.

12 Q. Okay. And the computer one that you
13 use, your primary one, is that a Ripple computer?

14 A. Yes.

15 Q. Laptop?

16 A. Yes.

17 Q. Apple?

18 A. Yes.

19 Q. Okay. And did -- did you use WhatsApp?
20 Do you use WhatsApp?

21 A. I had a WhatsApp account. I would say,
22 you know, define "use." Minimally.

23 Q. With Ripple employees?

24 A. Not to my recollection.

25 Q. Did you communicate with [REDACTED] on Signal?

1 A. No.

2 Q. Did you communicate with anyone here on
3 Signal?

4 A. I -- I have communicated with Matt
5 Solomon on Signal.

6 Q. Okay. This is Exhibit 106. This is
7 GARL Civil 1344. It appears to be a series of
8 text messages.

9 Take your time.

10 (Pause)

11 Q. Okay. Who is [REDACTED]

12 A. [REDACTED] is currently the
13 chief business officer at Ripple.

14 Q. Who was he in 2020? This email --
15 this -- this appears to be a series of text
16 messages.

17 Do you agree?

18 A. It appears to be a series of text
19 messages, yes.

20 Q. Okay. And they appear to be from
21 Monday, 27 January 2020.

22 Do you see that?

23 A. I don't see that it's Monday, but I
24 accept that it may be Monday. I see that it's
25 January 27, 2020.

1 Q. And there's a little thing here on top
2 that says "Monday," but that's fine.

3 A. Okay.

4 Q. Did you provide your phone to counsel to
5 sort of, like, download messages? Do you know the
6 origin of this document?

7 MR. SOLOMON: Objection; form.

8 A. I do not know the exact origin of this
9 document, no.

10 Q. Did you provide your phone to counsel to
11 sort of --

12 THE REPORTER: I'm sorry?

13 Q. Did you provide your phone to counsel in
14 connection with this litigation to gather
15 information?

16 A. I mean, I think the technical answer to
17 your question is no. I mean, I think I understand
18 the question you're trying to ask.

19 Q. So go ahead and answer that question.

20 A. I think the question you're trying to
21 ask is did counsel arrange for my phone to be
22 reviewed or otherwise. And so I believe my
23 counsel engaged a third party that came -- I
24 guess, shipped me a collection -- during COVID the
25 mechanisms for collection I think were unique,

1 perhaps.

2 But, in effect, I think the answer to
3 your question is, yes, my phone was made available
4 and -- to provide data as part of this litigation.

5 Q. And you -- was that true with respect to
6 all three of your phones or just your primary
7 Ripple phone?

8 A. No, all of my phones.

9 Q. All of your phones. Okay.

10 Do you recognize your phone number on
11 this document? Don't read it into the record.
12 Just yes or no.

13 A. Yes.

14 Q. Okay. All right. So having had a
15 chance to read this document, at some point on the
16 third page, the one that says 1346 at the bottom,
17 you say "Speaking of nothing. Do you use Signal?"
18 Do you see that?

19 A. I do see that.

20 Q. Okay. And is it fair to say that before
21 that you were having a text conversation with
22 Mr. [REDACTED] about the amount of XRP
23 hitting the market and some sort of deal with
24 someone referred to as [REDACTED]

25 A. You have put a description of the

1 conversation that I don't totally agree with, but,
2 yes, before that I see a text message exchange
3 between me and Mr [REDACTED]

4 Q. Why don't you describe for me what this
5 conversation was about before we get to the part
6 where you ask "Do you use Signal?"

7 A. It appears to be about some frustrations
8 I'm having with the CFO of Ripple.

9 Q. With Ron Will?

10 A. That's correct.

11 THE REPORTER: I'm sorry?

12 MR. TENREIRO: With Ron Will.

13 Q. What -- what were the sources of your
14 frustration?

15 A. My -- my recollection, in part informed
16 by what I'm reading, is that he had made a
17 decision of, you know, over a million dollars
18 without asking me for my opinion or input. That
19 seemed surprising.

20 Q. Over a million dollar sale of XRP?

21 A. No. It looks like -- there's a
22 discussion -- my -- from what I'm reading here,
23 no.

24 Q. So like a -- sort of -- some sort of
25 investment of some sort?

1 A. No.

2 Q. So what is the decision of \$1 million?

3 What -- what is it? About what?

4 A. I think it's a payment.

5 Q. Uh-huh.

6 A. And it's \$1.75 million. And as
7 described in the thread, it says they would take
8 XRP or cash.

9 Q. A payment for what?

10 A. I don't recall.

11 Q. And where are you seeing \$1.75 million?

12 A. Didn't I see that?

13 MR. SOLOMON: Yeah, you did.

14 THE WITNESS: Okay.

15 MR. SOLOMON: It's about
16 three-quarters of the way down the first
17 page.

18 Q. Oh, sorry. Yeah. "Ron makes a decision
19 on \$1.75 and doesn't check with me."

20 You were frustrated about that?

21 A. It seems like it's a big enough number.
22 You're the CFO of the company. It feels like
23 something that would -- in the normal course of
24 business that you would talk to the CEO about.

25 Q. Were there not sort of, like, approval

1 matrices at Ripple?

2 A. Yes, Ripple had approval matrices.

3 Q. And was this above his approval grade or
4 whatever the term is?

5 A. I don't recall exactly. I think almost
6 certainly the answer would have been yes.

7 Moreover, it just seems like this would be
8 something that you would, as CFO, communicate
9 about.

10 Q. Were you ever involved in decisions
11 about, you know, firing Ripple employees or
12 letting people go?

13 A. Yes.

14 Q. Which ones?

15 A. Is the question which employees was I
16 part of without actually firing over the course of
17 my entire tenure of my --

18 Q. No, that you recall.

19 A. I mean, I'm sure there's many.

20 Q. Okay. Which ones do you recall, though?

21 A. Maybe repeat the question so I get --
22 make sure I get it right.

23 Q. What Ripple employees were you involved
24 in decisions about letting go?

25 A. Well, we can start chronologically of my

1 recollections. [REDACTED]

2 [REDACTED] (phonetic), [REDACTED]

3 I mean, if I may, if you'd like me to
4 try to remember all of them -- I mean, there's
5 scores, you know. There's no way I'm going to get
6 them all.

7 Q. Okay. So there's a lot? Does Mr. --

8 A. If anyone was terminated from Ripple
9 involuntarily during my tenure, generally
10 speaking, I probably had some visibility into it.
11 And if I had an opinion on the topic, I would have
12 shared that.

13 Q. Well, did -- let me ask you this: Did
14 you ever make the decision? Was it ever your
15 decision initiated by you to terminate a
16 particular employee?

17 A. Yes.

18 Q. Who?

19 A. Well, anyone who reported to me directly
20 it would have been my decision.

21 Q. So who did you decide to terminate?

22 A. I mean, again, over the six and a half
23 years I've been there, you know, it would -- I
24 would have to look at a list of who departed
25 during that time frame.

1 Q. Was Ron Will one of those people?

2 A. No, Ron Will quit.

3 Q. Okay. What about Patrick Griffin?

4 A. That's more of a gray area.

5 Q. Please explain.

6 A. You know, Patrick is a talented, smart,
7 energetic guy, who -- I guess I -- I look at the
8 growth of a start-up in kind of various phases and
9 having the right people for the right phase is
10 important. And I think Patrick was very useful
11 and constructive in an early phase, but as the
12 company scaled, his efficacy managing and building
13 teams and keeping teams organized and on target
14 for their objectives wasn't as strong as other
15 people over time.

16 Q. So the decision was a mutual decision or
17 you decided --

18 A. I decided --

19 MR. SOLOMON: Objection; form.

20 A. I -- I let Patrick know that I thought
21 it was time for him to transition and I wanted to
22 work with him to facilitate a constructive
23 transition.

24 Q. That's what the law firms do, by the
25 way.

1 Of the -- what about Antoinette

2 O'Gorman?

3 A. What about?

4 Q. Did you have a role in deciding that she
5 should leave Ripple?

6 A. I was certainly involved in those
7 conversations, but I was sad to see her leave.
8 And she -- it was her choice to leave the company.

9 Q. So she was not someone that you said to,
10 you know, you might -- this might be a time to
11 transition or something like that?

12 A. No, I didn't say that.

13 Q. Okay. What about Ms. Madigan?

14 A. What about her?

15 Q. Same question.

16 A. No.

17 Q. Okay. She left Ripple --

18 A. To be fair, she didn't report to me so I
19 was not a party to those conversations. I'm
20 aware -- I think she reported to Monica Long. And
21 Monica and I certainly discussed her tenure and
22 whether or not she was doing a great job.

23 Q. Was she?

24 A. I wasn't close enough to have a strong
25 opinion myself.

1 Q. Do you understand that her leaving was
2 voluntary or -- or Ripple suggesting to her that
3 she should leave?

4 MR. SOLOMON: Objection to form.

5 A. My recollection is that Ripple
6 suggested -- that Monica, as her manager,
7 suggested that it wasn't working out as well as
8 she might do at another company.

9 Q. Okay. And what about Miguel Vias? Same
10 question.

11 A. Maybe repeat the question so I get the
12 whole --

13 Q. Sure.

14 Were you involved in the decision with
15 respect to Mr. Vias leaving the company?

16 A. Miguel did not report to me. And, you
17 know, was I involved in that? I'm sure that I was
18 aware and a part of the conversations about the --
19 his exit. I'm -- I'm certain that I would have
20 been. I don't recall anything specific about
21 that -- those conversations.

22 Q. And, again, was that voluntary or was
23 that Ripple more suggesting it's not working out?

24 MR. SOLOMON: Objection; form.

25 A. I don't recall.

1 Q. Okay. Who was -- who was his direct
2 report?

3 A. His direct report or his manager?

4 Q. I'm sorry. His manager. His manager.

5 A. I think when he exited, I -- I don't
6 know if his manager was Monica or Patrick Griffin.

7 Q. You have -- you mentioned start-ups a
8 couple times today and the evolution of Ripple as
9 a start-up.

10 Did you also -- do you recall mentioning
11 that generally to me moments ago?

12 A. Yes.

13 Q. Okay. And I think you said you got an
14 MBA from Harvard, is that right?

15 A. Yes.

16 Q. So what -- what is a start-up in your
17 own words?

18 A. A start-up is a new company that a small
19 group of people come together and typically raise
20 some capital and start to build product solutions
21 that they think will be adopted by their customers
22 and grow into bigger businesses.

23 Q. From your experience prior to joining
24 Ripple, either educational experience or
25 professional background, did you come to

1 understand or become familiar with the various
2 ways in which start-ups might "typically raise
3 some capital"?

4 A. Yes.

5 Q. What were those ways that you learned
6 about?

7 A. Is the question what ways do start-ups
8 raise capital?

9 Q. Yeah. That you know. I'm not asking
10 you for the world. That you know.

11 A. Well, at different phases of a start-up
12 I think you see different approaches. At the
13 earliest stages that we were discussing a moment
14 ago, you know, there's something loosely described
15 as friends and family, where a start-up might
16 raise a small amount of money from friends and
17 family.

18 As the company progresses to the extent
19 it's seeing some traction in its vision of where
20 the future might go, you might start to raise
21 money from what have become known as seed funds.
22 And that might be smaller or -- more money than
23 you might raise from friends and family, but less
24 money than you might raise from a traditionally
25 defined venture capitalist.

1 And to the extent you raise seed funds,
2 to the extent you continue to build and grow and
3 have some evidence of success, you might go and
4 raise a Series A financing or Series B financing.
5 And that would be the way I think about raising
6 capital.

7 Q. Okay. Sometimes start-ups eventually
8 IPO?

9 A. I wouldn't have called them a start-up
10 at that point.

11 Q. At that point it's no longer a start-up?

12 A. Yeah. I mean, the journey of company
13 creation in Silicon Valley, in my experience, does
14 not have, you know, clear lines between when even
15 a Series A should happen versus a Series B; when
16 it's a start-up, when it's something more than a
17 start-up. So it feels more art than science in
18 those descriptions.

19 Q. Okay. And why did you fire [REDACTED]?

20 A. My recollection is that when I joined
21 the company in April of 2015, one of the first
22 conversations I had with Chris Larsen was that I
23 probably needed to fire [REDACTED]

24 Q. Why?

25 A. You'd have to ask Chris.

1 Q. So he told you from 2015 that you needed
2 to fire him?

3 A. He -- he believed when I joined the
4 company in April of 2015 that one of my direct
5 reports at the time was [REDACTED]. And he
6 expressed that I probably needed to fire [REDACTED]
7 [REDACTED]

8 Q. He just said that. He didn't tell you
9 why?

10 A. I -- I don't recall.

11 Q. I see.

12 Back to Exhibit 106. Why are you asking

13 Mr. [REDACTED] to use Signal here?

14 MR. SOLOMON: You've --

15 A. I did not ask him to --

16 MR. SOLOMON: Let me just stop
17 you. You've just been asked a whole
18 series of questions and intervening
19 questions. If you need to look at the
20 document again, do it; if you don't,
21 don't. I just want to make that clear for
22 the record.

23 MR. TENREIRO: That's also
24 helpful. And let me correct my question.

25 BY MR. TENREIRO:

1 Q. Why did you ask him if he uses Signal?

2 A. I don't recall.

3 Q. Okay. And in the next page, he says "I
4 have Telegram. Does that do the trick?"

5 Do you see that?

6 A. I do see that.

7 Q. Okay. And there seems to be like a
8 question mark that probably is an emoji. Do
9 you -- originally was probably an emoji.

10 Do you see that?

11 A. I do see that.

12 Q. Okay. Do you recall what emoji you
13 responded with?

14 A. I do not.

15 Q. Okay. Whatever you said, he said,
16 "Okay, Signal it is."

17 Do you see that?

18 A. I do see that.

19 Q. After that did you communicate with him
20 on Signal?

21 A. I don't believe so.

22 Q. Okay. What's the basis of that belief?

23 A. Sorry. If the question is, Did I ever
24 communicate with him after that on Signal? the
25 answer is probably yes. To the extent I

1 communicated with him right after that, it looks
2 like the answer is no based upon the context of
3 this exchange.

4 Q. Any time after.

5 A. Yes.

6 Q. All right. Let's look --

7 A. Actually, to be totally honest, I don't
8 know.

9 Q. Okay. You would have to look at that
10 list you might have?

11 A. Right. Yeah.

12 Q. All right. Did you ever discuss with
13 anyone on Signal the status of XRP under the
14 securities laws?

15 A. I don't recall.

16 Q. Did you ever discuss with anyone your
17 views as to whether XRP sales were securities
18 transactions on Signal?

19 A. I don't believe so.

20 Q. Did you ever discuss XRP with anyone on
21 Signal?

22 A. Yes.

23 Q. Who?

24 A. I don't recall.

25 Q. When?